

FISCAL BIENNIUM 2008-2010 COMMONWEALTH BUDGET FINAL BUDGET MEMORANDUM

VOLUME II

Legislative Research Commission

June 4, 2008

This FB 2008-2010 Commonwealth Budget Final Budget Memorandum, as approved by the Legislative Research Commission pursuant to 2008 HJR 81, enumerates the changes made by the 2008 General Assembly to HB 406, the State/Executive Branch Budget Bill, and provides explanatory detail to convey the intent of their actions. This report addresses not only provisions of HB 406, but also applicable provisions of HB 2, HB 410, HB 514, and HB 608 that impact, add, or modify appropriations provisions contained in HB 406. Volume VI lists the Biennial Highway Construction projects approved by the General Assembly in HB 79, which was subsequently vetoed by the Governor in its entirety.

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**FISCAL BIENNIUM 2008-2010 COMMONWEALTH BUDGET
FINAL BUDGET MEMORANDUM**

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A - General Government

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FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

A - General Government

Operating Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	31,800,100	31,800,100		35,291,000	35,041,000	(250,000)	36,234,600	34,917,600	(1,317,000)
General Fund	654,823,400	655,123,400	300,000	573,768,100	566,324,800	(7,443,300)	615,191,500	600,281,400	(14,910,100)
Restricted Funds	156,477,600	156,477,600		158,623,100	160,826,100	2,203,000	156,537,200	158,848,200	2,311,000
Federal Funds	206,101,700	206,101,700		195,811,700	196,061,700	250,000	191,914,300	192,164,300	250,000
Road Fund	600,000	600,000		500,000	500,000		500,000	500,000	
Regular Total Funds	1,049,802,800	1,050,102,800	300,000	963,993,900	958,753,600	(5,240,300)	1,000,377,600	986,711,500	(13,666,100)
Use of Continuing	13,127,700	13,127,700		12,942,800	12,942,800		6,960,900	6,960,900	
TOTAL FUNDS	1,062,930,500	1,063,230,500	300,000	976,936,700	971,696,400	(5,240,300)	1,007,338,500	993,672,400	(13,666,100)
II. EXPENDITURE CATEGORY									
Personnel Costs	247,644,100	247,644,100		240,393,500	243,681,600	3,288,100	248,145,300	249,637,700	1,492,400
Operating Expenses	86,849,600	87,149,600	300,000	83,409,600	78,450,600	(4,959,000)	83,882,200	78,582,200	(5,300,000)
Grants, Loans, Benefits	584,526,600	584,526,600		532,345,500	531,307,500	(1,038,000)	540,850,300	530,607,800	(10,242,500)
Debt Service	137,290,800	137,290,800		116,095,400	113,564,000	(2,531,400)	129,986,000	130,370,000	384,000
Capital Outlay	4,710,000	4,710,000		3,058,300	3,058,300		3,215,300	3,215,300	
Construction	1,909,400	1,909,400		1,634,400	1,634,400		1,259,400	1,259,400	
TOTAL EXPENDITURES	1,062,930,500	1,063,230,500	300,000	976,936,700	971,696,400	(5,240,300)	1,007,338,500	993,672,400	(13,666,100)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	31,800,100	31,800,100		20,065,100	22,496,000	2,430,900	20,065,100	22,494,600	2,429,500
General Fund	654,823,400	654,823,400		570,191,000	561,492,900	(8,698,100)	579,828,500	562,719,900	(17,108,600)
Restricted Funds	154,471,800	154,471,800		155,640,100	155,640,100		153,809,800	153,920,800	111,000
Federal Funds	206,101,700	206,101,700		189,066,400	189,066,400		185,094,500	185,094,500	
Road Fund	600,000	600,000		500,000	500,000		500,000	500,000	
Regular Total Funds	1,047,797,000	1,047,797,000		935,462,600	929,195,400	(6,267,200)	939,297,900	924,729,800	(14,568,100)
Use of Continuing	13,127,700	13,127,700		12,942,800	12,942,800		6,960,900	6,960,900	
TOTAL BASE LEVEL	1,060,924,700	1,060,924,700		948,405,400	942,138,200	(6,267,200)	946,258,800	931,690,700	(14,568,100)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund (Tobacco)				15,225,900	12,545,000	(2,680,900)	16,169,500	12,423,000	(3,746,500)
General Fund		300,000	300,000	3,577,100	4,831,900	1,254,800	35,363,000	37,561,500	2,198,500
Restricted Funds	2,005,800	2,005,800		2,983,000	5,186,000	2,203,000	2,727,400	4,927,400	2,200,000
Federal Funds				6,745,300	6,995,300	250,000	6,819,800	7,069,800	250,000
TOTAL ADDITIONAL	2,005,800	2,305,800	300,000	28,531,300	29,558,200	1,026,900	61,079,700	61,981,700	902,000

A - General Government

Capital Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				6,525,000	6,525,000		1,250,000	1,250,000	
Federal Funds				38,435,700	57,935,700	19,500,000	1,000,000	1,000,000	
Bond Funds				187,900,000	376,200,000	188,300,000			
Agency Bonds				3,700,000	237,400,000	233,700,000			
Investment Income				1,241,000	1,241,000		1,241,000	1,241,000	
TOTAL CAPITAL				237,801,700	679,301,700	441,500,000	3,491,000	3,491,000	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

GENERAL GOVERNMENT OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Office of the Governor	9,998,900	9,998,900		9,390,300	9,390,300		8,949,500	8,949,500	
Office of State Budget Director	4,945,800	4,945,800		3,926,400	3,926,400		3,877,200	3,877,200	
State Planning Fund	250,000	250,000		220,000	220,000		220,000	220,000	
Energy Policy	14,560,700	14,560,700		6,822,800	6,822,800		6,663,000	6,663,000	
Homeland Security	28,624,400	28,624,400		27,991,900	27,991,900		24,104,600	24,104,600	
Department of Veterans' Affairs	43,949,300	44,249,300	300,000	43,920,300	44,058,300	138,000	45,507,900	45,742,900	235,000
Governor's Office of Agricultural Policy	32,370,100	32,370,100		35,838,800	35,588,800	(250,000)	36,715,300	28,768,300	(7,947,000)
Kentucky Infrastructure Authority	77,554,100	77,554,100		52,881,000	52,881,000		58,168,100	66,079,100	7,911,000
Military Affairs	116,651,600	116,651,600		89,775,000	90,525,000	750,000	90,276,700	91,102,700	826,000
Commission on Human Rights	2,348,300	2,348,300		2,181,600	2,281,600	100,000	2,245,700	2,345,700	100,000
Commission on Women	285,600	285,600		249,900	249,900		256,100	256,100	
Governor's Office for Local Development	97,657,500	97,657,500		68,402,700	68,922,700	520,000	68,273,500	68,347,500	74,000
Area Development Fund	785,400	785,400		691,200	691,200		691,200	691,200	
Local Government Economic Assistance Fund	56,876,700	56,876,700		55,693,000	55,093,000	(600,000)	57,755,100	56,989,350	(765,750)
Local Government Economic Development Fund	54,399,200	54,399,200		52,396,300	51,396,300	(1,000,000)	47,642,800	46,256,050	(1,386,750)
Executive Branch Ethics Commission	498,500	498,500		494,500	494,500		494,500	494,500	
Secretary of State	3,132,500	3,132,500		2,947,000	2,947,000		3,011,000	3,011,000	
Board of Elections	4,931,200	4,931,200		17,021,100	17,021,100		15,657,700	15,657,700	
Registry of Election Finance	1,470,000	1,470,000		1,347,400	1,347,400		1,382,200	1,382,200	
Attorney General	26,468,300	26,468,300		24,686,000	24,686,000		25,161,000	25,161,000	
Commonwealth's Attorneys	33,579,200	33,579,200		33,879,300	34,730,400	851,100	34,679,100	34,819,700	140,600
County Attorneys	28,839,800	28,839,800		28,545,100	29,027,100	482,000	29,800,800	29,041,600	(759,200)
Treasury	3,178,400	3,178,400		2,962,900	2,962,900		2,978,700	2,978,700	
Agriculture	34,081,600	34,081,600		31,075,500	31,375,500	300,000	31,504,100	31,848,100	344,000

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

GENERAL GOVERNMENT OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
Auditor of Public Accounts	10,224,800	10,224,800		9,636,500	9,636,500		9,927,000	9,927,000	
Personnel Board	767,100	767,100		740,700	740,700		793,800	793,800	
Boards and Commissions	24,253,100	24,253,100		23,905,600	25,905,600	2,000,000	24,725,500	26,725,500	2,000,000
Accountancy	700,900	700,900		619,200	619,200		619,200	619,200	
Architects	362,800	362,800		375,300	375,300		383,400	383,400	
Auctioneers	412,700	412,700		442,800	442,800		428,800	428,800	
Barbering	289,400	289,400		289,400	289,400		289,400	289,400	
Certification for Professional Art Therapists	11,400	11,400		11,400	11,400		11,400	11,400	
Certification of Alcohol and Drug Counselors	67,200	67,200		67,200	67,200		67,200	67,200	
Certification of Fee-Based Pastoral Counselors	3,500	3,500		3,500	3,500		3,500	3,500	
Chiropractic Examiners	218,600	218,600		241,400	241,400		247,800	247,800	
Dentistry	641,800	641,800		641,800	641,800		641,800	641,800	
Embalmers and Funeral Directors	355,600	355,600		340,000	340,000		340,000	340,000	
Examiners and Registration of Landscape Architects	60,600	60,600		63,700	63,700		64,300	64,300	
Examiners of Psychology	191,100	191,100		191,100	191,100		191,100	191,100	
Hairdressers and Cosmetologists	1,074,100	1,074,100		1,117,400	1,117,400		1,143,000	1,143,000	
Interpreters for the Deaf and Hard of Hearing	31,000	31,000		31,000	31,000		31,000	31,000	
Licensed Professional Counselors	91,200	91,200		126,800	126,800		126,800	126,800	
Licensure and Certification for Dietitians and Nutritionists	77,500	77,500		69,600	69,600		69,600	69,600	
Licensure for Massage Therapy	62,800	62,800		91,500	91,500		91,500	91,500	
Licensure for Nursing Home Administrators	61,000	61,000		47,000	47,000		47,000	47,000	
Licensure for Occupational Therapy	86,000	86,000		86,000	86,000		86,000	86,000	
Licensure for Professional Engineers and Land Surveyors	1,411,400	1,411,400		1,411,400	1,411,400		1,411,400	1,411,400	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

GENERAL GOVERNMENT OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
Licensure of Marriage and Family Therapists	83,200	83,200		83,200	83,200		83,200	83,200	
Medical Licensure	2,427,400	2,427,400		2,544,800	2,544,800		2,581,100	2,581,100	
Nursing	4,805,600	4,805,600		4,929,000	4,929,000		5,023,100	5,023,100	
Ophthalmic Dispensers	62,900	62,900		48,700	48,700		48,700	48,700	
Optometric Examiners	166,400	166,400		173,200	173,200		170,400	170,400	
Pharmacy	1,045,000	1,045,000		1,066,400	1,066,400		1,088,200	1,088,200	
Physical Therapy	343,900	343,900		328,600	328,600		332,700	332,700	
Podiatry	21,700	21,700		22,900	22,900		23,200	23,200	
Private Investigators	64,200	64,200		80,000	80,000		80,000	80,000	
Proprietary Education	164,300	164,300		172,800	172,800		172,800	172,800	
Real Estate Appraisers	604,200	604,200		616,400	616,400		622,700	622,700	
Real Estate Commission	2,666,600	2,666,600		2,541,600	2,541,600		2,574,900	2,574,900	
Registration for Professional Geologists	135,000	135,000		135,000	135,000		135,000	135,000	
Respiratory Care	181,100	181,100		181,100	181,100		181,100	181,100	
Social Work	145,300	145,300		145,300	145,300		145,300	145,300	
Specialists in Hearing Instruments	61,900	61,900		52,700	52,700		52,700	52,700	
Speech-Language Pathology and Audiology	107,000	107,000		112,200	112,200		112,200	112,200	
Veterinary Examiners	237,800	237,800		237,800	237,800		237,800	237,800	
Kentucky River Authority	2,506,200	2,506,200		4,747,200	4,747,200		5,143,900	5,143,900	
School Facilities Construction Commission	109,346,300	109,346,300		112,154,400	109,623,000	(2,531,400)	119,441,200	111,003,200	(8,438,000)
Teachers' Retirement System	192,866,600	192,866,600		187,462,800	187,462,800		212,103,600	212,103,600	
Judgments	600,000	600,000							
Appropriations Not Otherwise Classified	12,267,500	12,267,500		12,267,500	6,267,500	(6,000,000)	12,267,500	6,267,500	(6,000,000)
Regular Appropriation	1,049,802,800	1,050,102,800	300,000	963,993,900	958,753,600	(5,240,300)	1,000,377,600	986,711,500	(13,666,100)

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

GENERAL GOVERNMENT OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
GENERAL FUND (TOBACCO)									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Governor's Office of Agricultural Policy	31,800,100	31,800,100		35,291,000	35,041,000	(250,000)	36,234,600	28,287,600	(7,947,000)
Kentucky Infrastructure Authority								6,630,000	6,630,000
Regular Appropriation	31,800,100	31,800,100		35,291,000	35,041,000	(250,000)	36,234,600	34,917,600	(1,317,000)
GENERAL FUND (TOBACCO)									
CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT									
Governor's Office of Agricultural Policy	8,149,000	8,149,000		12,942,800	12,942,800		6,960,900	6,960,900	
Reserve Spending	8,149,000	8,149,000		12,942,800	12,942,800		6,960,900	6,960,900	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

GENERAL GOVERNMENT OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
GENERAL FUND									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Office of the Governor	9,622,300	9,622,300		8,480,200	8,480,200		8,665,800	8,665,800	
Office of State Budget Director	4,309,000	4,309,000		3,791,900	3,791,900		3,791,900	3,791,900	
State Planning Fund	250,000	250,000		220,000	220,000		220,000	220,000	
Energy Policy	7,124,100	7,124,100		1,869,200	1,869,200		1,902,600	1,902,600	
Homeland Security	349,300	349,300		246,100	246,100		290,000	290,000	
Department of Veterans' Affairs	17,513,800	17,813,800	300,000	17,488,400	17,623,400	135,000	18,548,200	18,783,200	235,000
Governor's Office of Agricultural Policy									
Kentucky Infrastructure Authority	25,681,500	25,681,500		955,800	955,800		6,716,100	7,997,100	1,281,000
Military Affairs	15,926,200	15,926,200		10,130,800	10,630,800	500,000	10,368,800	10,833,800	465,000
Commission on Human Rights	1,890,900	1,890,900		1,901,800	2,001,800	100,000	1,960,400	2,060,400	100,000
Commission on Women	261,200	261,200		239,900	239,900		237,900	237,900	
Governor's Office for Local Development	40,007,700	40,007,700		9,422,300	9,742,300	320,000	11,668,800	11,542,800	(126,000)
Area Development Fund	785,400	785,400		691,200	691,200		691,200	691,200	
Local Government Economic Assistance Fund	56,876,700	56,876,700		55,693,000	55,093,000	(600,000)	57,755,100	56,989,350	(765,750)
Local Government Economic Development Fund	54,399,200	54,399,200		52,396,300	51,396,300	(1,000,000)	47,642,800	46,256,050	(1,386,750)
Executive Branch Ethics Commission	448,500	448,500		448,500	448,500		448,500	448,500	
Secretary of State	2,329,500	2,329,500		2,050,000	2,050,000		2,050,000	2,050,000	
Board of Elections	4,770,900	4,770,900		4,210,700	4,210,700		2,847,400	2,847,400	
Registry of Election Finance	1,470,000	1,470,000		1,347,400	1,347,400		1,382,200	1,382,200	
Attorney General	14,272,800	14,272,800		12,873,800	12,873,800		13,284,000	13,284,000	
Commonwealth's Attorneys	33,147,800	33,147,800		32,296,700	33,147,800	851,100	33,007,200	33,147,800	140,600
County Attorneys	28,153,200	28,153,200		27,671,200	28,153,200	482,000	28,912,400	28,153,200	(759,200)
Treasury	2,190,400	2,190,400		1,927,600	1,927,600		1,927,600	1,927,600	
Agriculture	21,318,500	21,318,500		19,958,700	20,258,700	300,000	21,172,200	21,516,200	344,000

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

GENERAL GOVERNMENT OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
Auditor of Public Accounts	5,844,900	5,844,900		5,369,800	5,369,800		5,660,300	5,660,300	
Kentucky River Authority	342,700	342,700		304,700	304,700		1,078,800	1,078,800	
School Facilities Construction Commission	109,346,300	109,346,300		112,154,400	109,623,000	(2,531,400)	119,441,200	111,003,200	(8,438,000)
Teachers' Retirement System	183,323,100	183,323,100		177,360,200	177,360,200		201,252,600	201,252,600	
Judgments	600,000	600,000							
Appropriations Not Otherwise Classified	12,267,500	12,267,500		12,267,500	6,267,500	(6,000,000)	12,267,500	6,267,500	(6,000,000)
Regular Appropriation	654,823,400	655,123,400	300,000	573,768,100	566,324,800	(7,443,300)	615,191,500	600,281,400	(14,910,100)

GENERAL FUND

CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT

Agriculture	402,900	402,900	
Judgments	35,100	35,100	
Governor's Office of Agricultural Policy	4,540,700	4,540,700	
Reserve Spending	4,978,700	4,978,700	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

GENERAL GOVERNMENT OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
RESTRICTED FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Office of the Governor	376,600	376,600		910,100	910,100		283,700	283,700	
Office of State Budget Director	636,800	636,800		134,500	134,500		85,300	85,300	
Energy Policy	5,832,700	5,832,700		4,198,200	4,198,200		4,005,000	4,005,000	
Homeland Security	635,000	635,000		612,900	612,900		612,900	612,900	
Department of Veterans' Affairs	26,435,500	26,435,500		26,431,900	26,434,900	3,000	26,959,700	26,959,700	
Governor's Office of Agricultural Policy	570,000	570,000		547,800	547,800		480,700	480,700	
Kentucky Infrastructure Authority	1,700,000	1,700,000		1,752,600	1,752,600		1,279,400	1,279,400	
Military Affairs	38,064,700	38,064,700		37,711,400	37,711,400		37,975,100	38,086,100	111,000
Commission on Human Rights	173,000	173,000		1,600	1,600		1,600	1,600	
Commission on Women	24,400	24,400		10,000	10,000		18,200	18,200	
Governor's Office for Local Development	2,085,600	2,085,600		3,416,200	3,616,200	200,000	1,040,500	1,240,500	200,000
Executive Branch Ethics Commission	50,000	50,000		46,000	46,000		46,000	46,000	
Secretary of State	803,000	803,000		897,000	897,000		961,000	961,000	
Board of Elections	2,500	2,500		569,400	569,400		569,300	569,300	
Attorney General	9,526,400	9,526,400		9,261,400	9,261,400		9,269,900	9,269,900	
Commonwealth's Attorneys	309,800	309,800		1,484,800	1,484,800		1,557,600	1,557,600	
County Attorneys	198,500	198,500		303,700	303,700		303,700	303,700	
Treasury	738,000	738,000		785,300	785,300		801,100	801,100	
Agriculture	7,673,900	7,673,900		6,351,000	6,351,000		5,625,100	5,625,100	
Auditor of Public Accounts	4,379,900	4,379,900		4,266,700	4,266,700		4,266,700	4,266,700	
Personnel Board	767,100	767,100		740,700	740,700		793,800	793,800	
Boards and Commissions	24,253,100	24,253,100		23,905,600	25,905,600	2,000,000	24,725,500	26,725,500	2,000,000
Accountancy	700,900	700,900		619,200	619,200		619,200	619,200	
Architects	362,800	362,800		375,300	375,300		383,400	383,400	
Auctioneers	412,700	412,700		442,800	442,800		428,800	428,800	
Barbering	289,400	289,400		289,400	289,400		289,400	289,400	
Certification for Professional Art Therapists	11,400	11,400		11,400	11,400		11,400	11,400	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

GENERAL GOVERNMENT OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
Certification of Alcohol and Drug Counselors	67,200	67,200		67,200	67,200		67,200	67,200	
Certification of Fee-Based Pastoral Counselors	3,500	3,500		3,500	3,500		3,500	3,500	
Chiropractic Examiners	218,600	218,600		241,400	241,400		247,800	247,800	
Dentistry	641,800	641,800		641,800	641,800		641,800	641,800	
Embalmers and Funeral Directors	355,600	355,600		340,000	340,000		340,000	340,000	
Examiners and Registration of Landscape Architects	60,600	60,600		63,700	63,700		64,300	64,300	
Examiners of Psychology	191,100	191,100		191,100	191,100		191,100	191,100	
Hairdressers and Cosmetologists	1,074,100	1,074,100		1,117,400	1,117,400		1,143,000	1,143,000	
Interpreters for the Deaf and Hard of Hearing	31,000	31,000		31,000	31,000		31,000	31,000	
Licensed Professional Counselors	91,200	91,200		126,800	126,800		126,800	126,800	
Licensure and Certification for Dietitians and Nutritionists	77,500	77,500		69,600	69,600		69,600	69,600	
Licensure for Massage Therapy	62,800	62,800		91,500	91,500		91,500	91,500	
Licensure for Nursing Home Administrators	61,000	61,000		47,000	47,000		47,000	47,000	
Licensure for Occupational Therapy	86,000	86,000		86,000	86,000		86,000	86,000	
Licensure for Professional Engineers and Land Surveyors	1,411,400	1,411,400		1,411,400	1,411,400		1,411,400	1,411,400	
Licensure of Marriage and Family Therapists	83,200	83,200		83,200	83,200		83,200	83,200	
Medical Licensure	2,427,400	2,427,400		2,544,800	2,544,800		2,581,100	2,581,100	
Nursing	4,805,600	4,805,600		4,929,000	4,929,000		5,023,100	5,023,100	
Ophthalmic Dispensers	62,900	62,900		48,700	48,700		48,700	48,700	
Optometric Examiners	166,400	166,400		173,200	173,200		170,400	170,400	
Pharmacy	1,045,000	1,045,000		1,066,400	1,066,400		1,088,200	1,088,200	
Physical Therapy	343,900	343,900		328,600	328,600		332,700	332,700	
Podiatry	21,700	21,700		22,900	22,900		23,200	23,200	
Private Investigators	64,200	64,200		80,000	80,000		80,000	80,000	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY**GENERAL GOVERNMENT OPERATING BUDGET**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
Proprietary Education	164,300	164,300		172,800	172,800		172,800	172,800	
Real Estate Appraisers	604,200	604,200		616,400	616,400		622,700	622,700	
Real Estate Commission	2,666,600	2,666,600		2,541,600	2,541,600		2,574,900	2,574,900	
Registration for Professional Geologists	135,000	135,000		135,000	135,000		135,000	135,000	
Respiratory Care	181,100	181,100		181,100	181,100		181,100	181,100	
Social Work	145,300	145,300		145,300	145,300		145,300	145,300	
Specialists in Hearing Instruments	61,900	61,900		52,700	52,700		52,700	52,700	
Speech-Language Pathology and Audiology	107,000	107,000		112,200	112,200		112,200	112,200	
Veterinary Examiners	237,800	237,800		237,800	237,800		237,800	237,800	
Kentucky River Authority	2,163,500	2,163,500		4,442,500	4,442,500		4,065,100	4,065,100	
Teachers' Retirement System	9,543,500	9,543,500		10,102,600	10,102,600		10,851,000	10,851,000	
Regular Appropriation	156,477,600	156,477,600		158,623,100	160,826,100	2,203,000	156,537,200	158,848,200	2,311,000

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

GENERAL GOVERNMENT OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
FEDERAL FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Energy Policy	1,603,900	1,603,900		755,400	755,400		755,400	755,400	
Homeland Security	27,290,100	27,290,100		26,882,900	26,882,900		22,951,700	22,951,700	
Kentucky Infrastructure Authority	50,172,600	50,172,600		50,172,600	50,172,600		50,172,600	50,172,600	
Military Affairs	62,660,700	62,660,700		41,932,800	42,182,800	250,000	41,932,800	42,182,800	250,000
Commission on Human Rights	284,400	284,400		278,200	278,200		283,700	283,700	
Governor's Office for Local Development	55,564,200	55,564,200		55,564,200	55,564,200		55,564,200	55,564,200	
Board of Elections	157,800	157,800		12,241,000	12,241,000		12,241,000	12,241,000	
Attorney General	2,669,100	2,669,100		2,550,800	2,550,800		2,607,100	2,607,100	
Commonwealth's Attorneys	121,600	121,600		97,800	97,800		114,300	114,300	
County Attorneys	488,100	488,100		570,200	570,200		584,700	584,700	
Agriculture	5,089,200	5,089,200		4,765,800	4,765,800		4,706,800	4,706,800	
Regular Appropriation	206,101,700	206,101,700		195,811,700	196,061,700	250,000	191,914,300	192,164,300	250,000

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

GENERAL GOVERNMENT OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
ROAD FUND									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Homeland Security	350,000	350,000		250,000	250,000		250,000	250,000	
Treasury	250,000	250,000		250,000	250,000		250,000	250,000	
Regular Appropriation	600,000	600,000		500,000	500,000		500,000	500,000	

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A - General Government

Operating Budget

Office of the Governor

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	9,622,300	9,622,300		8,480,200	8,480,200		8,665,800	8,665,800	
Restricted Funds	376,600	376,600		910,100	910,100		283,700	283,700	
Regular Total Funds	9,998,900	9,998,900		9,390,300	9,390,300		8,949,500	8,949,500	
Use of Continuing									
TOTAL FUNDS	9,998,900	9,998,900		9,390,300	9,390,300		8,949,500	8,949,500	
II. EXPENDITURE CATEGORY									
Personnel Costs	6,046,800	6,046,800		6,006,300	6,006,300		5,895,200	5,895,200	
Operating Expenses	1,832,200	1,832,200		1,581,200	1,581,200		1,251,500	1,251,500	
Grants, Loans, Benefits	2,119,900	2,119,900		1,802,800	1,802,800		1,802,800	1,802,800	
TOTAL EXPENDITURES	9,998,900	9,998,900		9,390,300	9,390,300		8,949,500	8,949,500	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	9,622,300	9,622,300		8,480,200	8,480,200		8,665,800	8,665,800	
Restricted Funds	376,600	376,600		910,100	910,100		283,700	283,700	
Regular Total Funds	9,998,900	9,998,900		9,390,300	9,390,300		8,949,500	8,949,500	
Use of Continuing									
TOTAL BASE LEVEL	9,998,900	9,998,900		9,390,300	9,390,300		8,949,500	8,949,500	

OFFICE OF THE GOVERNOR

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

"Housing Allowance for the Lieutenant Governor: Included in the above General Fund appropriation for the Office of the Governor is \$2,500 monthly as a housing allowance for the Lieutenant Governor's Office."

The Executive Branch Budget supporting documents provide a General Fund appropriation in the amount of \$30,000 in each fiscal year for the Lieutenant Governor's Office for an allowance of up to \$2,500 monthly as a housing allowance.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

A - General Government

Operating Budget

Office of State Budget Director

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	4,309,000	4,309,000		3,791,900	3,791,900		3,791,900	3,791,900	
Restricted Funds	636,800	636,800		134,500	134,500		85,300	85,300	
Regular Total Funds	4,945,800	4,945,800		3,926,400	3,926,400		3,877,200	3,877,200	
Use of Continuing									
TOTAL FUNDS	4,945,800	4,945,800		3,926,400	3,926,400		3,877,200	3,877,200	
II. EXPENDITURE CATEGORY									
Personnel Costs	4,227,400	4,227,400		3,206,800	3,206,800		3,211,800	3,211,800	
Operating Expenses	718,400	718,400		719,600	719,600		665,400	665,400	
TOTAL EXPENDITURES	4,945,800	4,945,800		3,926,400	3,926,400		3,877,200	3,877,200	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	4,309,000	4,309,000		3,791,900	3,791,900		3,791,900	3,791,900	
Restricted Funds	636,800	636,800		134,500	134,500		85,300	85,300	
Regular Total Funds	4,945,800	4,945,800		3,926,400	3,926,400		3,877,200	3,877,200	
Use of Continuing									
TOTAL BASE LEVEL	4,945,800	4,945,800		3,926,400	3,926,400		3,877,200	3,877,200	

OFFICE OF STATE BUDGET DIRECTOR

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

A - General Government**Operating Budget****State Planning Fund**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	250,000	250,000		220,000	220,000		220,000	220,000	
Regular Total Funds	250,000	250,000		220,000	220,000		220,000	220,000	
Use of Continuing									
TOTAL FUNDS	250,000	250,000		220,000	220,000		220,000	220,000	
II. EXPENDITURE CATEGORY									
Grants, Loans, Benefits	250,000	250,000		220,000	220,000		220,000	220,000	
TOTAL EXPENDITURES	250,000	250,000		220,000	220,000		220,000	220,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	250,000	250,000		220,000	220,000		220,000	220,000	
Regular Total Funds	250,000	250,000		220,000	220,000		220,000	220,000	
Use of Continuing									
TOTAL BASE LEVEL	250,000	250,000		220,000	220,000		220,000	220,000	

STATE PLANNING FUND

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

A - General Government

Operating Budget

Energy Policy

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	7,124,100	7,124,100		1,869,200	1,869,200		1,902,600	1,902,600	
Restricted Funds	5,832,700	5,832,700		4,198,200	4,198,200		4,005,000	4,005,000	
Federal Funds	1,603,900	1,603,900		755,400	755,400		755,400	755,400	
Regular Total Funds	14,560,700	14,560,700		6,822,800	6,822,800		6,663,000	6,663,000	
Use of Continuing									
TOTAL FUNDS	14,560,700	14,560,700		6,822,800	6,822,800		6,663,000	6,663,000	
II. EXPENDITURE CATEGORY									
Personnel Costs	1,192,600	1,192,600		1,127,400	1,127,400		1,160,800	1,160,800	
Operating Expenses	194,600	194,600		194,800	194,800		195,100	195,100	
Grants, Loans, Benefits	13,173,500	13,173,500		5,500,600	5,500,600		5,307,100	5,307,100	
TOTAL EXPENDITURES	14,560,700	14,560,700		6,822,800	6,822,800		6,663,000	6,663,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	7,124,100	7,124,100		1,869,200	1,869,200		1,902,600	1,902,600	
Restricted Funds	5,400,000	5,400,000		4,198,200	4,198,200		4,005,000	4,005,000	
Federal Funds	1,603,900	1,603,900		755,400	755,400		755,400	755,400	
Regular Total Funds	14,128,000	14,128,000		6,822,800	6,822,800		6,663,000	6,663,000	
Use of Continuing									
TOTAL BASE LEVEL	14,128,000	14,128,000		6,822,800	6,822,800		6,663,000	6,663,000	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds	432,700	432,700							
TOTAL ADDITIONAL	432,700	432,700							
V. ADDITIONAL BUDGET ITEMS									
1 GB Additional Support									
ABR855E0005 Provides additional funds for R&D grants and contracts.									
Restricted Funds	432,700	432,700							
Project Total	432,700	432,700							
TOTAL ADDITIONAL	432,700	432,700							

ENERGY POLICY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

"Energy Research and Development: Included in the above Restricted Funds appropriation is \$3,500,000 in fiscal year 2008-2009 and \$3,500,000 in fiscal year 2009-2010 which shall be used for research projects relating to clean coal, new combustion technology, thin-seam coal extraction research, synthetic natural gas produced from coal through gasification processes, and the development of alternative transportation fuels produced by processes that convert coal or biomass resources or extract oil from oil shale and shall be targeted solely to Kentucky's Local Government Economic Development Fund-eligible counties. The Office of Energy Policy shall coordinate its efforts with those of Kentucky's universities and related Kentucky Community and Technical College System programs in order to maximize Kentucky's opportunities for federal funding and receive research grants and awards from federal and other sources of funding for the development of clean coal technology, coal-to-liquid-fuel conversion, alternate transportation fuels, and biomass energy resources."

The Executive Branch Budget supporting documents provide a Restricted Fund appropriation of \$3.5 million in each fiscal year for energy research and development grants (these funds are derived from coal severance receipts) and a Restricted Fund appropriation of \$400,000 in each fiscal year of the biennium for public education of coal-related issues pursuant to KRS 132.020(5).

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

ENERGY POLICY

The General Assembly amends Part I, Operating Budget, language provision as follows:

"Energy Research and Development: (a) Included in the above Restricted Funds appropriation is \$3,500,000 in fiscal year 2008-2009 and \$3,500,000 in fiscal year 2009-2010 which shall be used, except as specified in paragraph (b) of this subsection, for research projects relating to clean coal, new combustion technology, thin-seam coal extraction, safety, tracking and communication devices, coal slurry disposal, synthetic natural gas produced from coal through gasification processes, and the development of alternative transportation fuels produced by processes that convert coal or biomass resources or extract oil from oil shale, and other coal research and shall be targeted solely to Kentucky's Local Government Economic Development Fund-eligible counties. The Office of Energy Policy shall coordinate its efforts with those of Kentucky's universities and related Kentucky Community and Technical College System programs in order to maximize Kentucky's opportunities for federal funding and receive research grants and awards from federal and other sources of funding for the development of clean coal technology, coal-to-liquid-fuel conversion, alternate transportation fuels, and biomass energy resources.

(b) The General Assembly recognizes the importance of proactively addressing the issue of carbon management in existing coal-fired and natural gas-fired power plants, and the need for the development of technologies to address carbon emissions from all sources. Further, the General Assembly recognizes that it is vital for the economic well-being of the Commonwealth and its citizens that technologies and strategies for the capture, utilization, or mitigation of carbon dioxide emissions be developed and demonstrated. Therefore, included in the Restricted Funds appropriation in paragraph (a) of this subsection is \$1,000,000 in fiscal year 2008-2009 and \$1,000,000 in fiscal year 2009-2010 which shall not be expended unless matched with federal or private funds for the purpose of supporting research and development activities at the University of Kentucky Center for Applied Energy Research directed toward the development and demonstration of technologies for carbon management. These technologies may include: chemical or mechanical capture, chemical or biological utilization, mitigation through the use of alternative fuel sources, or other relevant technologies."

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A - General Government

Operating Budget

Homeland Security

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	349,300	349,300		246,100	246,100		290,000	290,000	
Restricted Funds	635,000	635,000		612,900	612,900		612,900	612,900	
Federal Funds	27,290,100	27,290,100		26,882,900	26,882,900		22,951,700	22,951,700	
Road Fund	350,000	350,000		250,000	250,000		250,000	250,000	
Regular Total Funds	28,624,400	28,624,400		27,991,900	27,991,900		24,104,600	24,104,600	
Use of Continuing									
TOTAL FUNDS	28,624,400	28,624,400		27,991,900	27,991,900		24,104,600	24,104,600	
II. EXPENDITURE CATEGORY									
Personnel Costs	1,956,800	1,956,800		1,988,500	1,988,500		2,032,400	2,032,400	
Operating Expenses	597,300	597,300		835,600	835,600		1,406,300	1,406,300	
Grants, Loans, Benefits	26,060,900	26,060,900		25,158,400	25,158,400		20,656,500	20,656,500	
Construction	9,400	9,400		9,400	9,400		9,400	9,400	
TOTAL EXPENDITURES	28,624,400	28,624,400		27,991,900	27,991,900		24,104,600	24,104,600	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	349,300	349,300		246,100	246,100		290,000	290,000	
Restricted Funds	635,000	635,000		612,900	612,900		612,900	612,900	
Federal Funds	27,290,100	27,290,100		26,882,900	26,882,900		22,951,700	22,951,700	
Road Fund	350,000	350,000		250,000	250,000		250,000	250,000	
Regular Total Funds	28,624,400	28,624,400		27,991,900	27,991,900		24,104,600	24,104,600	
Use of Continuing									
TOTAL BASE LEVEL	28,624,400	28,624,400		27,991,900	27,991,900		24,104,600	24,104,600	

HOMELAND SECURITY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY REPORT

The General Assembly concurs with the Branch.

A - General Government**Capital Budget****Homeland Security**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Federal Funds				12,885,700	12,885,700				
TOTAL CAPITAL				12,885,700	12,885,700				
II. CAPITAL PROJECTS									
1	Strategic Voice Mutual Aid System								
PRJ09405001									
Federal Funds				11,261,400	11,261,400				
Project Total				11,261,400	11,261,400				
2	Mobile Communication Centers								
PRJ09405000									
Federal Funds				1,624,300	1,624,300				
Project Total				1,624,300	1,624,300				
TOTAL CAPITAL				12,885,700	12,885,700				

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A - General Government

Operating Budget

Department of Veterans' Affairs

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	17,513,800	17,813,800	300,000	17,488,400	17,623,400	135,000	18,548,200	18,783,200	235,000
Restricted Funds	26,435,500	26,435,500		26,431,900	26,434,900	3,000	26,959,700	26,959,700	
Regular Total Funds	43,949,300	44,249,300	300,000	43,920,300	44,058,300	138,000	45,507,900	45,742,900	235,000
Use of Continuing									
TOTAL FUNDS	43,949,300	44,249,300	300,000	43,920,300	44,058,300	138,000	45,507,900	45,742,900	235,000
II. EXPENDITURE CATEGORY									
Personnel Costs	36,711,200	36,711,200		37,335,900	37,375,900	40,000	38,802,000	38,917,000	115,000
Operating Expenses	6,841,000	7,141,000	300,000	6,359,600	6,362,600	3,000	6,481,100	6,481,100	
Grants, Loans, Benefits	217,500	217,500		217,500	312,500	95,000	217,500	337,500	120,000
Debt Service	168,000	168,000							
Capital Outlay	11,600	11,600		7,300	7,300		7,300	7,300	
TOTAL EXPENDITURES	43,949,300	44,249,300	300,000	43,920,300	44,058,300	138,000	45,507,900	45,742,900	235,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	17,513,800	17,513,800		17,224,900	17,224,900		18,274,700	18,274,700	
Restricted Funds	24,905,700	24,905,700		26,371,900	26,371,900		26,899,700	26,899,700	
Regular Total Funds	42,419,500	42,419,500		43,596,800	43,596,800		45,174,400	45,174,400	
Use of Continuing									
TOTAL BASE LEVEL	42,419,500	42,419,500		43,596,800	43,596,800		45,174,400	45,174,400	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund		300,000	300,000	263,500	398,500	135,000	273,500	508,500	235,000
Restricted Funds	1,529,800	1,529,800		60,000	63,000	3,000	60,000	60,000	
TOTAL ADDITIONAL	1,529,800	1,829,800	300,000	323,500	461,500	138,000	333,500	568,500	235,000
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN Kentucky Veterans Cemetery North									
ABR074D0013 Provides funds to support operation and 6 additional full-time positions at the new Ky. Veterans Cemetery North.									
General Fund				263,500	263,500		273,500	273,500	
Restricted Funds				60,000	60,000		60,000	60,000	
Project Total				323,500	323,500		333,500	333,500	

A - General Government**Operating Budget****Department of Veterans' Affairs**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010			
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2	EXPAN	Kentucky Veterans Cemetery Northeast							
ABR074D0014	Provides funds to support establishment and operation of the Ky. Veterans Cemetery Northeast and 7 new full-time positions.								
General Fund								55,000	55,000
Project Total								55,000	55,000
3	EXPAN	Women's Veterans Program							
ABR074D0008	Provides funds to support 1 full-time filled position in the Womens Veterans Program.								
General Fund					40,000	40,000		60,000	60,000
Project Total					40,000	40,000		60,000	60,000
4	EXPAN	Military Funeral Honors Program							
ABR074D0006	Provides funds required to fully support the Burial Honors Program for veterans.								
General Fund					20,000	20,000		20,000	20,000
Project Total					20,000	20,000		20,000	20,000
5	EXPAN	Homeless Veterans' Transition Funds							
ABR074D0007	Provides funds to support additional operating cost of program.								
General Fund					30,000	30,000		30,000	30,000
Project Total					30,000	30,000		30,000	30,000
6	EXPAN	VSO Training							
ABR074D0005	Provides funds to replace current agency operating funds used to support this program.								
General Fund					32,500	32,500		32,500	32,500
Project Total					32,500	32,500		32,500	32,500
7	CONT	Current Year Appropriation							
ABR074D0018	Provides current year funds for operation of the Department.								
General Fund		300,000	300,000						
Restricted Funds		1,529,800	1,529,800						
Project Total		1,529,800	1,829,800	300,000					
8	NEW	Indigent Veterans' Burial Assistance							
ABR074D0019	Provide funds for the assistance for burial services to indigent veterans'.								
General Fund					12,500	12,500		37,500	37,500
Project Total					12,500	12,500		37,500	37,500

A - General Government**Operating Budget****Department of Veterans' Affairs**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
9 NEW Ky Medal for Freedom									
ABR074D0020 Provide funds for the Ky Medal for Freedom program.									
Restricted Funds					3,000	3,000			
Project Total					3,000	3,000			
TOTAL ADDITIONAL	1,529,800	1,829,800	300,000	323,500	461,500	138,000	333,500	568,500	235,000

DEPARTMENT OF VETERANS' AFFAIRS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Weekend and Holiday Premium Pay Incentive: The Kentucky Veterans' Centers are authorized to continue the weekend and holiday premium pay incentive component of the Personnel Pilot Program for the 2008-2010 fiscal biennium."

"Congressional Medal of Honor Recipients - Travel and Per Diem: The Commissioner of the Department of Veterans' Affairs may approve travel and per diem expenses incurred when Kentucky residents who have been awarded the Congressional Medal of Honor attend veterans, military, or memorial events in the Commonwealth of Kentucky."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly adds Part I, Operating Budget, language provisions as follows:

"Veterans' Service Organization Funding: Included in the above General Fund appropriation is \$100,000 in each fiscal year for grants to the Veterans' Service Organization programs."

"Enhanced Veterans' Nursing Home Services: The Department of Veterans' Affairs shall solicit a proposal from the University of Louisville to enhance the quality of care and access to neurology, geriatric, and other specialty care services for the residents of the

DEPARTMENT OF VETERANS' AFFAIRS

veterans nursing facilities. The department shall submit a progress report to the Governor and the Legislative Research Commission on this initiative by August 15, 2008."

"Veterans' Services Improvement Trust Fund: The Veterans' Services Improvement Trust Fund is established in the Department of Veterans' Affairs. The purpose of this fund is to receive moneys that will be appropriated by the General Assembly to improve services to the veterans of the Commonwealth. Notwithstanding KRS 45.229, any balance remaining in the Veterans' Services Improvement Trust Fund at the end of a fiscal year shall not lapse and shall be carried forward to the next fiscal year to be utilized solely for the purpose of the trust fund as directed by the General Assembly. Notwithstanding KRS 45.229, any interest earnings of the trust fund shall become a part of the trust fund and shall not lapse."

"Excess Agency Receipts: If Agency Receipts and Restricted Funds are received by the Department of Veterans' Affairs in excess of \$26,450,000 in fiscal year 2008-2009 and \$26,960,000 in fiscal year 2009-2010 50 percent of those excess amounts shall be deposited in the Veterans' Services Improvement Trust Fund established under subsection 5 of this section."

"Veterans' Cemetery Northeast: Included in the above General Fund appropriation is \$55,000 in fiscal year 2009-2010 for the personnel and operating expenses of the Veterans' Cemetery Northeast in Greenup County."

"Debt Service - Fourth State Veterans' Nursing Home: If any debt service is required for the construction of the Fourth State Veterans' Nursing Home authorized in Part II, Capital Projects Budget, of this Act in fiscal year 2008-2009 or fiscal year 2009-2010, it shall be deemed a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705). No bonds shall be sold for this project until it has been approved by the United States Department of Veterans' Affairs and the Commonwealth has been notified by the United States Department of Veterans' Affairs that federal funds are available to support this construction."

The General Assembly accepts the Technical amendment in the Capital Project listed in Part II, A. 2. 002. which changes the amount of the project from "\$600,000" to "\$6,000,000" and corrects a drafting error.

The General Assembly modifies Part I, Operating Budget, to include funding for the Kentucky Medal for Freedom program.

The General Assembly includes a project for the **"Fourth State Veterans' Nursing Home"** in the Part II, Capital Projects, budget.

The General Assembly amends Part II, Capital Budget, by adding a State Veterans' Cemetery - Northeast Kentucky (Greenup County)

DEPARTMENT OF VETERANS' AFFAIRS

Phase II project and providing funding from the State Veterans' - Southeast Kentucky (Leslie County) if federal funds become available for this project first.

A - General Government**Capital Budget****Department of Veterans' Affairs**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Federal Funds					19,500,000	19,500,000			
Bond Funds					10,500,000	10,500,000			
Investment Income				100,000	100,000		100,000	100,000	
TOTAL CAPITAL				100,000	30,100,000	30,000,000	100,000	100,000	
II. CAPITAL PROJECTS									
1	Maintenance Pool - 2008-2010								
PRJ074D5001									
Investment Income				100,000	100,000		100,000	100,000	
Project Total				100,000	100,000		100,000	100,000	
2	Construct State Veterans' Cemetery - Southeast Kentucky (Leslie County) Reauthorization (\$200,000 General Fund, \$6,000,000 Federal Funds)								
PRJ074D5004									
General Fund									
Federal Funds									
Project Total									
3	State Veterans' Cemetery - Northeast Kentucky (Greenup County) Phase II								
PRJ074D5006									
Other Funds									
Project Total									
4	Construct Fourth State Veterans' Nursing Home								
PRJ074D5000									
Federal Funds					19,500,000	19,500,000			
Bond Funds					10,500,000	10,500,000			
Project Total					30,000,000	30,000,000			
TOTAL CAPITAL				100,000	30,100,000	30,000,000	100,000	100,000	

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A - General Government

Operating Budget

Governor's Office of Agricultural Policy

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	31,800,100	31,800,100		35,291,000	35,041,000	(250,000)	36,234,600	28,287,600	(7,947,000)
General Fund									
Restricted Funds	570,000	570,000		547,800	547,800		480,700	480,700	
Regular Total Funds	32,370,100	32,370,100		35,838,800	35,588,800	(250,000)	36,715,300	28,768,300	(7,947,000)
Use of Continuing	12,689,700	12,689,700		12,942,800	12,942,800		6,960,900	6,960,900	
TOTAL FUNDS	45,059,800	45,059,800		48,781,600	48,531,600	(250,000)	43,676,200	35,729,200	(7,947,000)
II. EXPENDITURE CATEGORY									
Personnel Costs	1,073,000	1,073,000		1,112,800	1,112,800		1,147,400	1,147,400	
Operating Expenses	251,800	251,800		251,800	251,800		251,800	251,800	
Grants, Loans, Benefits	43,735,000	43,735,000		47,417,000	47,167,000	(250,000)	42,277,000	33,446,000	(8,831,000)
Debt Service								884,000	884,000
TOTAL EXPENDITURES	45,059,800	45,059,800		48,781,600	48,531,600	(250,000)	43,676,200	35,729,200	(7,947,000)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	31,800,100	31,800,100		20,065,100	22,496,000	2,430,900	20,065,100	22,494,600	2,429,500
General Fund									
Restricted Funds	570,000	570,000		547,800	547,800		480,700	480,700	
Regular Total Funds	32,370,100	32,370,100		20,612,900	23,043,800	2,430,900	20,545,800	22,975,300	2,429,500
Use of Continuing	12,689,700	12,689,700		12,942,800	12,942,800		6,960,900	6,960,900	
TOTAL BASE LEVEL	45,059,800	45,059,800		33,555,700	35,986,600	2,430,900	27,506,700	29,936,200	2,429,500
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund (Tobacco)				15,225,900	12,545,000	(2,680,900)	16,169,500	5,793,000	(10,376,500)
TOTAL ADDITIONAL				15,225,900	12,545,000	(2,680,900)	16,169,500	5,793,000	(10,376,500)
V. ADDITIONAL BUDGET ITEMS									
1 GB	Continuation of Existing Programs								
ABR089A0001	Authorizes utilization of Master Settlement Agreement (Phase I Tobacco Funds) receipts based on revised Consensus Forecasting Group estimate.								
General Fund (Tobacco)				15,225,900	12,545,000	(2,680,900)	16,169,500	5,793,000	(10,376,500)
Project Total				15,225,900	12,545,000	(2,680,900)	16,169,500	5,793,000	(10,376,500)
TOTAL ADDITIONAL				15,225,900	12,545,000	(2,680,900)	16,169,500	5,793,000	(10,376,500)

TRANSFERS TO THE GENERAL FUND

A - General Government**Operating Budget****Governor's Office of Agricultural Policy**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TRANSFERS TO THE GENERAL FUND								
Governor's Office of Agricultural Policy								
General Fund (Tobacco)				12,545,000	12,545,000		4,909,000	4,909,000
TOTAL				12,545,000	12,545,000		4,909,000	4,909,000

GOVERNOR'S OFFICE OF AGRICULTURAL POLICY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Kentucky Agricultural Finance Corporation: Notwithstanding KRS 247.978(2), the total amount of principal which a qualified applicant may owe the Kentucky Agricultural Finance Corporation at any one time shall not exceed \$5,000,000."

"Tobacco Settlement Funds - Allocations: Notwithstanding KRS 248.711(2), and from the allocation provided therein, counties that are allocated in excess of \$20,000 annually may provide up to four percent of the individual county allocation, not to exceed \$15,000 annually, to the county council in that county for administrative costs."

The State/Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement, includes language provisions as follows:

"Agricultural Development Initiatives: Fifty percent of the MSA payments, less the above enforcement appropriations, received in fiscal year 2008-2009, estimated to be \$59,707,500, and in fiscal year 2009-2010, estimated to be \$60,652,500, is appropriated to the Kentucky Agricultural Development Fund to be used for agricultural development initiatives."

"MSA Appropriation Adjustments - Prior Year Receipts Received: In the event that Phase I Master Settlement Agreement revenues due from a prior fiscal year are received in a subsequent fiscal year, those revenues are hereby appropriated as follows: 50 percent to the Agricultural Development Fund, 25 percent to the Early Childhood Development Fund, and 25 percent to the Health Care Improvement Fund."

GOVERNOR'S OFFICE OF AGRICULTURAL POLICY

"Tobacco Settlement Funds - Allocations: Notwithstanding KRS 248.711(2), and from the allocation provided therein, counties that are allocated in excess of \$20,000 annually may provide up to four percent of the individual county allocation, not to exceed \$15,000 annually, to the county council in that county for administrative costs."

The Executive Branch Budget supporting documents provide that \$20,897,625 in fiscal year 2009 and \$21,228,375 in fiscal year 2010 of MSA payments be allocated to the county portion of the Kentucky Agricultural Development Fund.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly reduces General Fund (Tobacco) support totaling \$250,000 in fiscal year 2008-2009 and \$1,317,000 in fiscal year 2009-2010.

The General Assembly amends Part I, Operating Budget, to include the following language provisions:

"Authorization of Additional Positions: Included in the above General Fund (Tobacco) appropriation is \$80,000 in each fiscal year for two additional positions."

"Tobacco Settlement Funds - Debt Service: Included in the above General Fund (Tobacco) appropriation is \$884,000 in fiscal year 2009-2010 for new debt service to support \$10,000,000 of new bonds as set forth in Part II, Capital Projects Budget, of this Act for the Kentucky Agriculture Heritage Center."

"Kentucky Tobacco Export Promotion: Notwithstanding KRS 248.711, the Agricultural Development Board may receive applications for funds to be used for Kentucky tobacco export promotion. The board may consider as a criterion for application for tobacco export promotion that these funds shall not be used for operational expenses of an organization including salary or overhead expenses."

The General Assembly amends Part II, Capital Budget, to include \$10,000,000 in Bond Funds for the Kentucky Agriculture Heritage Center and the following language provisions:

"Kentucky Agriculture Heritage Center: The bonds shall be issued by the Kentucky Asset/Liability Commission or any other

GOVERNOR'S OFFICE OF AGRICULTURAL POLICY

applicable state entity authorized by law to issue bonds, as designated by the Secretary of the Finance and Administration Cabinet."

The General Assembly amends Part V, Funds Transfer, to include a transfer from the Governor's Office of Agricultural Policy, General Fund (Tobacco) of \$12,545,000 in fiscal year 2008-2009 and \$11,539,000 in fiscal year 2009-2010.

The General Assembly adds Part X, Phase I Tobacco Settlement, language provisions as follows:

"Agricultural Development Appropriations: Notwithstanding KRS 248.703(1)(a), funds received in the Rural Development Fund that exceed the General Fund (Tobacco) moneys appropriated in fiscal year 2007-2008 pursuant to 2006 Ky. Acts ch. 252, Part X, B., shall not be subject to distribution to the counties account, as specified in KRS 248.703(1)(a), and notwithstanding KRS 248.711, these funds shall be allocated to the state account identified in KRS 248.703(1)(b)."

"Agricultural Development Appropriations: Notwithstanding KRS 248.703(1), included in the above General Fund (Tobacco) appropriation is \$16,419,375 in fiscal year 2008-2009 and \$16,419,375 in fiscal year 2009-2010, for the counties account as specified in KRS 248.703(1)(a). Included in the above General Fund (Tobacco) appropriation is \$18,621,625 in fiscal year 2008-2009 and \$18,498,225 for other projects throughout the state as specified in KRS 248.703(1)(b)."

"Governor's Office of Agricultural Policy Fund Transfer: It is recognized that Phase I Master Settlement Agreement Revenues to be received by the Commonwealth are estimated and are subject to change. In the event that Phase I Master Settlement Agreement Revenues are less than the current estimates as reviewed by the Consensus Revenue Forecasting Group, the General Fund (Tobacco) Part V, Fund Transfer from the Governor's Office of Agricultural Policy to the General Fund shall be reduced by an amount equal to 50 percent times the reduction (shortfall) in the Phase I Master Settlement Agreement Revenues."

"Tobacco Settlement Funds - Debt Service: Included in the above General Fund (Tobacco) appropriation is \$884,000 in fiscal year 2009-2010 for new debt service to support \$10,000,000 of new bonds for the Kentucky Agriculture Heritage Center as set forth in Part II, Capital Projects Budget, of this Act."

ADDITIONAL ACTIONS OF THE GENERAL ASSEMBLY

House Bill 410, Section 3, amends the provisions of House Bill 406/EN and provides the following: "On page 204, line 13, delete '11,539,000' and insert '7,119,000'; and On page 222, line 21, delete '34,917,600' and insert '30,497,600'".

GOVERNOR'S OFFICE OF AGRICULTURAL POLICY

House Bill 514, Section 1, amends the provisions of House Bill 406/EN and provides the following: "On page 5, line 26, delete '34,917,600' and insert '28,287,600'; and On page 223, line 9, delete '18,498,225 and insert '11,868,225'".

House Bill 514, Section 2, amends the provisions of House Bill 410/EN and provides the following: "On page 77, line 19, delete '7,119,000' and insert '4,909,000'; and On page 77, line 20, delete '30,497,600' and insert '28,287,600'".

A - General Government**Capital Budget****Governor's Office of Agricultural Policy**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE								
Bond Funds				10,000,000	10,000,000			
TOTAL CAPITAL				10,000,000	10,000,000			

II. CAPITAL PROJECTS**1 Kentucky Agriculture Heritage Center**

PRJ089A0001

Bond Funds				10,000,000	10,000,000			
Project Total				10,000,000	10,000,000			

TOTAL CAPITAL				10,000,000	10,000,000			
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A - General Government

Operating Budget

Kentucky Infrastructure Authority

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)								6,630,000	6,630,000
General Fund	25,681,500	25,681,500		955,800	955,800		6,716,100	7,997,100	1,281,000
Restricted Funds	1,700,000	1,700,000		1,752,600	1,752,600		1,279,400	1,279,400	
Federal Funds	50,172,600	50,172,600		50,172,600	50,172,600		50,172,600	50,172,600	
Regular Total Funds	77,554,100	77,554,100		52,881,000	52,881,000		58,168,100	66,079,100	7,911,000
Use of Continuing									
TOTAL FUNDS	77,554,100	77,554,100		52,881,000	52,881,000		58,168,100	66,079,100	7,911,000
II. EXPENDITURE CATEGORY									
Personnel Costs	3,557,600	3,557,600		2,537,900	2,537,900		2,869,200	2,869,200	
Operating Expenses	167,900	167,900		170,500	170,500		168,300	168,300	
Grants, Loans, Benefits	50,172,600	50,172,600		50,172,600	50,172,600		50,172,600	50,172,600	
Debt Service	23,656,000	23,656,000					4,958,000	12,869,000	7,911,000
TOTAL EXPENDITURES	77,554,100	77,554,100		52,881,000	52,881,000		58,168,100	66,079,100	7,911,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	25,681,500	25,681,500		955,800	955,800		1,758,100	1,758,100	
Restricted Funds	1,700,000	1,700,000		1,752,600	1,752,600		1,279,400	1,279,400	
Federal Funds	50,172,600	50,172,600		50,172,600	50,172,600		50,172,600	50,172,600	
Regular Total Funds	77,554,100	77,554,100		52,881,000	52,881,000		53,210,100	53,210,100	
Use of Continuing									
TOTAL BASE LEVEL	77,554,100	77,554,100		52,881,000	52,881,000		53,210,100	53,210,100	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund (Tobacco)								6,630,000	6,630,000
General Fund							4,958,000	6,239,000	1,281,000
TOTAL ADDITIONAL							4,958,000	12,869,000	7,911,000
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN KIA Debt Service									
ABR082K0003 Provides debt service for \$8,000,000 (Funds A and F) and \$75,000,000 (Infrastructure for Economic Development Fund for Coal-Producing Counties) in Bond Funds.									
General Fund							4,958,000	6,239,000	1,281,000
Project Total							4,958,000	6,239,000	1,281,000

A - General Government**Operating Budget****Kentucky Infrastructure Authority**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2 EXPAN Additional KIA Debt Service								
ABR082K0004 Provides General Fund (Tobacco) debt service for \$150,000,000 in Bond Funds for the Infrastructure for Economic Development Fund for Non-Coal Producing Counties.								
General Fund (Tobacco)							6,630,000	6,630,000
Project Total							6,630,000	6,630,000
TOTAL ADDITIONAL						4,958,000	12,869,000	7,911,000

KENTUCKY INFRASTRUCTURE AUTHORITY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Administrative Fee on Infrastructure for Economic Development Fund Projects: A one-half of one percent administrative fee is authorized to be paid to the Kentucky Infrastructure Authority for the administration of each project funded by the Infrastructure for Economic Development Fund for Coal-Producing Counties and the Infrastructure for Economic Development Fund for Tobacco Counties. These administrative fees shall be paid, upon inception of the project, out of the fund from which the project was allocated."

"Local Government Economic Development Funds: Included in the above General Fund appropriation is \$370,000 in each year of the biennium from the Local Government Economic Development Fund to support services provided to coal-producing counties."

"Debt Service: Included in the above General Fund appropriation is \$4,958,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes language provisions as follows:

"Permitted Use of Funds: The bond funds shall be used to meet the state match requirement for federal funds for the Safe Drinking Water State Revolving Loan Fund program."

"Permitted Use of Funds: The bond funds shall be used to meet the state match requirement for federal funds for the Federally

KENTUCKY INFRASTRUCTURE AUTHORITY

Assisted Wastewater Revolving Loan Fund Program."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly amends Part I, Operating Budget, to revise the following language provision:

"Debt Service: Included in the above General Fund appropriation is \$714,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

The General Assembly amends Part I, Operating Budget, to add the following language provision:

"Compensation to Area Development Districts: Included in the above appropriation is \$2,214,700 in each year of the biennium for disbursement to Area Development Districts for water management planning services and maintenance of the Water Resource Information System."

The General Assembly amends Part II, Capital Budget, to delete \$50,000,000 in Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties. The General Assembly amends Part II, Capital Budget, to add \$30,000,000 in Agency Bonds for the Drinking Water Revolving Loan Program, \$200,000,000 in Agency Bonds for the Wastewater Revolving Loan Program, and the following language provisions:

"Agency Bond Debt Service: The Kentucky Infrastructure Authority is hereby authorized to expend loan repayment receipts on deposit at the trustee bank for the Drinking Water Revolving Loan Program to support the KIA Fund F Agency Bonds authorized above for projects as provided pursuant to KRS 224A.1115."

"Agency Bond Debt Service: The Kentucky Infrastructure Authority is hereby authorized to expend loan repayment receipts on deposit at the trustee bank for the Wastewater Revolving Loan Program to support the KIA Fund A Agency Bonds authorized above for projects as provided pursuant to KRS 224A.111."

The General Assembly modifies Part II, Capital Budget, **"Permitted Use of Funds"** language provisions by changing "Safe Drinking Water State Revolving Loan Fund Program" to "Drinking Water Revolving Loan Program" and "Federally Assisted Wastewater

KENTUCKY INFRASTRUCTURE AUTHORITY

Revolving Loan Fund Program" to "Wastewater Revolving Loan Program".

The General Assembly amends Part II, Capital Budget to add the following:

"003. Hardin County Water District #2 - WX21093035 - Louisville Water Wholesale Interconnect Project Reauthorization and Reallocation (\$500,000 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Hardin County Water District #2 - WX21093009 - Cecilia Water Storage Tank project as set forth in 2006 Ky. Acts ch. 252, Part II, O., Hardin County, 009."

ADDITIONAL ACTIONS OF THE GENERAL ASSEMBLY

House Bill 410, Section 3, amends the provisions of House Bill 406/EN and provides the following:

"On page 6, after line 21, insert the following: 'General Fund (Tobacco) -0- 4,420,000'; On page 6, line 22, delete '2,472,100' and insert '6,892,100'; and Adjust subsequent subtotals and totals accordingly; and On page 7, delete lines 10 through 12 and insert the following: '(3) Debt Service: Included in the above General Fund appropriation is \$9,554,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act. Included in the above General Fund (Tobacco) appropriation is \$4,420,000 in fiscal year 2009-2010 for new debt service to support the new bonds as set forth in Part II, A., 4., 005., of this Act.'"

"On page 131, after line 12, by inserting the following:

'004. Infrastructure for Economic Development Fund for Coal-Producing Counties
Bond Funds 50,000,000 -0-

(1) Specific Project Designation Required: The issuance of bonds authorized above shall not occur unless specific projects are identified through further action of the General Assembly. If the General Assembly fails to identify specific projects, the bonds authorized above shall not be issued.

005. Infrastructure for Economic Development Fund for Non-Coal Producing Counties
Bond Funds 100,000,000 -0-

(1) Specific Project Designation Required: The issuance of bonds authorized above shall not occur unless specific projects are identified through further action of the General Assembly. If the General Assembly fails to identify specific projects, the bonds authorized above shall not be issued.

006. Knox County Utilities Commission - Fawn Branch Water Project Reauthorization and Reallocation (\$40,000 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Knox County Utility

KENTUCKY INFRASTRUCTURE AUTHORITY

Commission - Water Line Extension for Flat Creek and Hubbs Hollow project as set forth in 2006 Ky. Acts ch. 252, Part II, N., Knox County, 008.

007. Knox County Fiscal Court - Sewer Line Extending From KY 1232 South to By-Pass Reauthorization and Reallocation (\$202,441 Bond Funds)

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Knox County Fiscal Court - Water Projects project as set forth in 2003 Ky. Acts ch. 156, Part XIII, A., Knox County 47.

008. London/Laurel County Industrial Development Authority - Sewer Upgrade Reauthorization and Reallocation (\$50,000 Bond Funds)

009. London/Laurel County Industrial Development Authority - Building Roof Repair for Airport Business Park Reauthorization and Reallocation (\$75,000 Bond Funds)

010. London/Laurel County Tourism - Fire Pump and Sprinkler System Reauthorization and Reallocation (\$150,000 Bond Funds)

011. London Utility Commission - Upgrade 192 Pump Station Reauthorization and Reallocation (\$100,000 Bond Funds)

012. London Utility Commission - Collector Sewer Extensions Inside City Limits Reauthorization and Reallocation (\$200,000 Bond Funds)

013. Laurel Water District #2 - Water System Improvement Reauthorization and Reallocation (\$200,000 Bond Funds)

014. East Laurel Water District - Sewer for Laurel County Fairgrounds and Feltner 4-H Camp - SX21125305 - Reauthorization and Reallocation (\$250,000 Bond Funds)

015. East Laurel Water District - Wastewater Line Extensions #3 - SX21125303 - Reauthorization and Reallocation (\$600,000 Bond Funds)

016. Laurel County Water District #2 - Water Improvement Project - WX21125555 - Reauthorization and Reallocation (\$128,000 Bond Funds)

017. Wood Creek Water District - Watershed Protection #1 - WX21125542 -Reauthorization and Reallocation (\$247,000 Bond Funds)

(1) Reauthorization and Reallocation: The above projects are authorized from a reallocation of the City of London - London City Park - Capital Construction at the College Park Project as set forth in 2006 Ky. Acts ch. 252, Part II, N., Laurel County, 001."

"On page 223, after line 22, insert: 'b. Kentucky Infrastructure Authority -0- 4,420,000; (1) Infrastructure for Economic Development for Non-Coal Producing Counties: Included in the above General Fund (Tobacco) appropriation is \$4,420,000 in fiscal year 2009-2010 for new debt service to support the new bonds as set forth in Part II, A., 4., 005., of this Act.'"

House Bill 514, Section 2, amends the provisions of House Bill 410/EN and provides the following:

KENTUCKY INFRASTRUCTURE AUTHORITY

"On page 9, line 1, delete '4,420,000' and insert '6,630,000'; Adjust subsequent subtotals and totals accordingly; On page 9, line 2, delete '6,892,100' and insert '7,997,100'; On page 9, line 6, delete '9,554,000' and insert '6,239,000'; On page 9, line 8, delete '4,420,000' and insert '6,630,000'; On page 9, line 10, delete '46,642,800' and insert '46,256,050'".

"On page 10, line 9, delete '50,000,000' and insert '75,000,000'; and On page 10, line 15, delete '100,000,000' and insert '150,000,000'".

"On page 77, line 22, delete '4,420,000' and insert '6,630,000'; and On page 77, line 24, delete '4,420,000' and insert '6,630,000'".

The Governor of the Commonwealth vetoes the following:

Veto #1 of HB 406 - *"I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:*

Page 7, lines 13 through 16 in their entirety.

I am vetoing this part because the appropriations are insufficient to provide this level of funding to the Area Development Districts and still allow the Authority to operate its programs. The vetoed part states that within the appropriation for the Kentucky Infrastructure Authority is \$2,214,700 in each year of the biennium to be disbursed to Area Development Districts for water management planning services and maintenance of the Water Resources Information System.

The Authority has distributed \$1,513,500 to the Area Development Districts in each of the last two fiscal years to provide for water management planning services and updates to the Water Resources Information Systems. The Authority plans to continue its relationship with the Area Development Districts, but the appropriation amounts cannot accommodate a forty-six percent increase in funding to the Districts while still providing the services required of the Authority."

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A - General Government**Capital Budget****Kentucky Infrastructure Authority**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				58,000,000	233,000,000	175,000,000			
Agency Bonds					230,000,000	230,000,000			
TOTAL CAPITAL				58,000,000	463,000,000	405,000,000			
II. CAPITAL PROJECTS									
1	KIA Fund F - Drinking Water Revolving Loan Program								
PRJ082K1352									
Bond Funds				4,000,000	4,000,000				
Agency Bonds					30,000,000	30,000,000			
Project Total				4,000,000	34,000,000	30,000,000			
2	KIA Fund A - Federally Assisted Wastewater Program								
PRJ082K1351									
Bond Funds				4,000,000	4,000,000				
Agency Bonds					200,000,000	200,000,000			
Project Total				4,000,000	204,000,000	200,000,000			
3	Hardin County Water District #2 - WX21093035 - Louisville Water Wholesale Interconnect Project Reauthorization and Reallocation (\$500,000 Bond Funds)								
PRJ082K1359									
Agency Bonds									
Project Total									
4	Infrastructure for Economic Development Fund for Coal-Producing Counties								
PRJ082K1353									
Bond Funds				50,000,000	75,000,000	25,000,000			
Project Total				50,000,000	75,000,000	25,000,000			
5	Infrastructure for Economic Development Fund for Non-Coal Producing Counties								
PRJ082K1355									
Bond Funds					150,000,000	150,000,000			
Project Total					150,000,000	150,000,000			
6	Knox County Utilities Commission - Fawn Branch Water Project Reauthorization and Reallocation (\$40,000 Bond Funds)								
PRJ082K1361									
Bond Funds									
Project Total									

A - General Government**Capital Budget****Kentucky Infrastructure Authority**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
7	Knox County Fiscal Court - Sewer Line Extending From KY 1232 South to By-Pass Reauthorization and Reallocation (\$202,441 Bond Funds)								
PRJ082K1363									
Bond Funds									
Project Total									
8	London/Laurel County Industrial Development Authority - Sewer Upgrade Reauthorization and Reallocation (\$50,000 Bond Funds)								
PRJ082K1365									
Bond Funds									
Project Total									
9	London/Laurel County Industrial Development Authority - Building Roof Repair for Airport Business Park Reauthorization and Reallocation (\$75,000 Bond Funds)								
PRJ082K1367									
Bond Funds									
Project Total									
10	London/Laurel County Tourism - Fire Pump and Sprinkler System Reauthorization and Reallocation (\$150,000 Bond Funds)								
PRJ082K1369									
Bond Funds									
Project Total									
11	London Utility Commission - Upgrade 192 Pump Station Reauthorization and Reallocation (\$100,000 Bond Funds)								
PRJ082K1371									
Bond Funds									
Project Total									
12	London Utility Commission - Collector Sewer Extensions Inside City Limits Reauthorization and Reallocation (\$200,000 Bond Funds)								
PRJ082K1373									
Bond Funds									
Project Total									
13	Laurel Water District #2 - Water System Improvement Reauthorization and Reallocation (\$200,000 Bond Funds)								
PRJ082K1375									
Bond Funds									
Project Total									
14	East Laurel Water District - Sewer for Laurel County Fairgrounds and Feltner 4-H Camp - SX21125305 - Reauthorization and Reallocation (\$250,000 Bond Funds)								
PRJ082K1377									
Bond Funds									
Project Total									

A - General Government**Capital Budget****Kentucky Infrastructure Authority**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
15 East Laurel Water District - Wastewater Line Extensions #3 - SX21125303 - Reauthorization and Reallocation (\$600,000 Bond Funds)								
PRJ082K1379								
Bond Funds								
Project Total								
16 Laurel County Water District #2 - Water Improvement Project - WX21125555 - Reauthorization and Reallocation (\$128,000 Bond Funds)								
PRJ082K1381								
Bond Funds								
Project Total								
17 Wood Creek Water District - Watershed Protection #1 - WX21125542 - Reauthorization and Reallocation (\$247,000 Bond Funds)								
PRJ082K1383								
Bond Funds								
Project Total								
TOTAL CAPITAL			58,000,000	463,000,000	405,000,000			

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A - General Government

Operating Budget

Military Affairs

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	15,926,200	15,926,200		10,130,800	10,630,800	500,000	10,368,800	10,833,800	465,000
Restricted Funds	38,064,700	38,064,700		37,711,400	37,711,400		37,975,100	38,086,100	111,000
Federal Funds	62,660,700	62,660,700		41,932,800	42,182,800	250,000	41,932,800	42,182,800	250,000
Regular Total Funds	116,651,600	116,651,600		89,775,000	90,525,000	750,000	90,276,700	91,102,700	826,000
Use of Continuing									
TOTAL FUNDS	116,651,600	116,651,600		89,775,000	90,525,000	750,000	90,276,700	91,102,700	826,000
II. EXPENDITURE CATEGORY									
Personnel Costs	30,916,600	30,916,600		29,743,000	29,808,000	65,000	30,351,000	30,497,000	146,000
Operating Expenses	33,556,700	33,556,700		31,809,200	32,347,200	538,000	31,813,500	32,013,500	200,000
Grants, Loans, Benefits	48,764,300	48,764,300		25,704,800	25,851,800	147,000	25,383,200	25,533,200	150,000
Debt Service	1,329,000	1,329,000		1,118,000	1,118,000		1,329,000	1,659,000	330,000
Capital Outlay	1,035,000	1,035,000		400,000	400,000		400,000	400,000	
Construction	1,050,000	1,050,000		1,000,000	1,000,000		1,000,000	1,000,000	
TOTAL EXPENDITURES	116,651,600	116,651,600		89,775,000	90,525,000	750,000	90,276,700	91,102,700	826,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	15,926,200	15,926,200		10,130,800	10,130,800		10,368,800	10,368,800	
Restricted Funds	38,064,700	38,064,700		37,711,400	37,711,400		37,975,100	38,086,100	111,000
Federal Funds	62,660,700	62,660,700		41,932,800	41,932,800		41,932,800	41,932,800	
Regular Total Funds	116,651,600	116,651,600		89,775,000	89,775,000		90,276,700	90,387,700	111,000
Use of Continuing									
TOTAL BASE LEVEL	116,651,600	116,651,600		89,775,000	89,775,000		90,276,700	90,387,700	111,000
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					500,000	500,000		465,000	465,000
Federal Funds					250,000	250,000		250,000	250,000
TOTAL ADDITIONAL					750,000	750,000		715,000	715,000
V. ADDITIONAL BUDGET ITEMS									
1	RFF	Flood Warning System Replacement Funding							
ABR095K0013	Provides state replacement funds to support a federally mandated Integrated Flood Warning System of 182 sites and required upgrade of 7 sites.								
General Fund					100,000	100,000		65,000	65,000
Project Total					100,000	100,000		65,000	65,000

A - General Government**Operating Budget****Military Affairs**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2 CONT Search and Rescue Grant Program								
ABR095K0015 Provide funds to continue the Search and Rescue Grant Program.								
General Fund				150,000	150,000		150,000	150,000
Project Total				150,000	150,000		150,000	150,000
3 NEW Special Armory Maintenance								
ABR095K0016 Provides funds for Emergency and Special Armory Maintenance Projects								
General Fund				250,000	250,000		250,000	250,000
Federal Funds				250,000	250,000		250,000	250,000
Project Total				500,000	500,000		500,000	500,000
TOTAL ADDITIONAL				750,000	750,000		715,000	715,000

MILITARY AFFAIRS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Kentucky National Guard: There is appropriated from the General Fund the necessary funds to be expended, subject to the conditions and procedures provided in this Act, which are required as a result of the Governor's declaration of emergency pursuant to KRS Chapter 39A, and the Governor's call of the Kentucky National Guard to active duty when an emergency or exigent situation has been declared to exist by the Governor. These necessary funds shall be made available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705)."

" Disaster or Emergency Aid Funds: There is appropriated from the General Fund the necessary funds, subject to the conditions and procedures in this Act, which are required to match federal aid to which the state would be eligible in the event of a presidentially declared disaster or emergency. These necessary funds shall be made available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705)."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly adds a Part I, Operating Budget, language provision as follows:

"Flood Warning Replacement Funding: Included in the above appropriation is \$100,000 of General Fund moneys in fiscal year

MILITARY AFFAIRS

2008-2009 and \$65,000 in General Fund moneys in fiscal year 2009-2010 for operational cost for the Integrated Flood Warning System."

"Search and Rescue Grant Program: Included in the above General Fund appropriation is \$150,000 in fiscal year 2008-2009 and \$150,000 in FY 2009-2010 to support the Search and Rescue Grant Program."

"Debt Service: Included in the above Restricted Funds appropriation is \$1,118,000 in fiscal year 2008-2009 and \$1,598,000 in fiscal year 2009-2010 to support agency bonds previously authorized and new agency bonds as set forth in Part II, Capital Projects Budget, of this Act."

The General Assembly adds \$250,000 General Fund each year in Part I, Operating Budget, to support additional Armory maintenance.

The General Assembly amends Part II, Capital Budget, by including a new capital project entitled "**Purchase Land for Northern Kentucky National Guard Armory**".

A - General Government**Capital Budget****Military Affairs**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				3,200,000	3,200,000		1,000,000	1,000,000	
Federal Funds				25,550,000	25,550,000		1,000,000	1,000,000	
Agency Bonds				3,700,000	7,400,000	3,700,000			
Investment Income				1,000,000	1,000,000		1,000,000	1,000,000	
TOTAL CAPITAL				33,450,000	37,150,000	3,700,000	3,000,000	3,000,000	
II. CAPITAL PROJECTS									
1	Construct Phase VII Wendell H. Ford Regional Training Center								
PRJ095K1343									
Federal Funds				20,000,000	20,000,000				
Project Total				20,000,000	20,000,000				
2	Maintenance Pool - 2008-2010								
PRJ095K1610									
Federal Funds				1,000,000	1,000,000		1,000,000	1,000,000	
Investment Income				1,000,000	1,000,000		1,000,000	1,000,000	
Project Total				2,000,000	2,000,000		2,000,000	2,000,000	
3	Renovate Bluegrass Station Infrastructure								
PRJ095K1608									
Agency Bonds				3,700,000	4,400,000	700,000			
Project Total				3,700,000	4,400,000	700,000			
4	Construct Pole Barns at Bluegrass Station								
PRJ095K5009									
Restricted Funds				2,200,000	2,200,000				
Project Total				2,200,000	2,200,000				
5	Bluegrass Station Maintenance Pool 2008-2010								
PRJ095K5010									
Restricted Funds				1,000,000	1,000,000		1,000,000	1,000,000	
Project Total				1,000,000	1,000,000		1,000,000	1,000,000	

A - General Government**Capital Budget****Military Affairs**

		Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
6	Expansion of Military Dining Facility Wendell H. Ford Regional Training Center									
PRJ095K1345										
Federal Funds					1,300,000	1,300,000				
Project Total					1,300,000	1,300,000				
7	Construct Field Maintenance Shop 8 Conversion									
PRJ095K5001										
Federal Funds					1,200,000	1,200,000				
Project Total					1,200,000	1,200,000				
8	Construct Field Maintenance Shop 1 Conversion									
PRJ095K5000										
Federal Funds					1,200,000	1,200,000				
Project Total					1,200,000	1,200,000				
9	Construct Multi-Purpose Machine Gun Range Wendell H. Ford Regional Training Center									
PRJ095K1340										
Federal Funds					850,000	850,000				
Project Total					850,000	850,000				
10	Purchase Land for Northern Kentucky National Guard Armory									
PRJ095K5012										
Agency Bonds						3,000,000	3,000,000			
Project Total						3,000,000	3,000,000			
TOTAL CAPITAL					33,450,000	37,150,000	3,700,000	3,000,000	3,000,000	

A - General Government

Operating Budget

Commission on Human Rights

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	1,890,900	1,890,900		1,901,800	2,001,800	100,000	1,960,400	2,060,400	100,000
Restricted Funds	173,000	173,000		1,600	1,600		1,600	1,600	
Federal Funds	284,400	284,400		278,200	278,200		283,700	283,700	
Regular Total Funds	2,348,300	2,348,300		2,181,600	2,281,600	100,000	2,245,700	2,345,700	100,000
Use of Continuing									
TOTAL FUNDS	2,348,300	2,348,300		2,181,600	2,281,600	100,000	2,245,700	2,345,700	100,000
II. EXPENDITURE CATEGORY									
Personnel Costs	1,982,900	1,982,900		1,810,900	1,910,900	100,000	1,873,900	1,973,900	100,000
Operating Expenses	365,400	365,400		370,700	370,700		371,800	371,800	
TOTAL EXPENDITURES	2,348,300	2,348,300		2,181,600	2,281,600	100,000	2,245,700	2,345,700	100,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	1,890,900	1,890,900		1,901,800	2,001,800	100,000	1,960,400	2,060,400	100,000
Restricted Funds	173,000	173,000		1,600	1,600		1,600	1,600	
Federal Funds	284,400	284,400		278,200	278,200		283,700	283,700	
Regular Total Funds	2,348,300	2,348,300		2,181,600	2,281,600	100,000	2,245,700	2,345,700	100,000
Use of Continuing									
TOTAL BASE LEVEL	2,348,300	2,348,300		2,181,600	2,281,600	100,000	2,245,700	2,345,700	100,000

COMMISSION ON HUMAN RIGHTS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly increases General Fund support totaling \$100,000 in each fiscal year to partially restore funding for personnel expenses.

A - General Government

Operating Budget

Commission on Women

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	261,200	261,200		239,900	239,900		237,900	237,900	
Restricted Funds	24,400	24,400		10,000	10,000		18,200	18,200	
Regular Total Funds	285,600	285,600		249,900	249,900		256,100	256,100	
Use of Continuing									
TOTAL FUNDS	285,600	285,600		249,900	249,900		256,100	256,100	
II. EXPENDITURE CATEGORY									
Personnel Costs	207,000	207,000		184,100	184,100		190,300	190,300	
Operating Expenses	78,600	78,600		65,800	65,800		65,800	65,800	
TOTAL EXPENDITURES	285,600	285,600		249,900	249,900		256,100	256,100	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	261,200	261,200		239,900	239,900		237,900	237,900	
Restricted Funds	24,400	24,400		10,000	10,000		18,200	18,200	
Regular Total Funds	285,600	285,600		249,900	249,900		256,100	256,100	
Use of Continuing									
TOTAL BASE LEVEL	285,600	285,600		249,900	249,900		256,100	256,100	

COMMISSION ON WOMEN

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

A - General Government

Operating Budget

Governor's Office for Local Development

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	40,007,700	40,007,700		9,422,300	9,742,300	320,000	11,668,800	11,542,800	(126,000)
Restricted Funds	2,085,600	2,085,600		3,416,200	3,616,200	200,000	1,040,500	1,240,500	200,000
Federal Funds	55,564,200	55,564,200		55,564,200	55,564,200		55,564,200	55,564,200	
Regular Total Funds	97,657,500	97,657,500		68,402,700	68,922,700	520,000	68,273,500	68,347,500	74,000
Use of Continuing									
TOTAL FUNDS	97,657,500	97,657,500		68,402,700	68,922,700	520,000	68,273,500	68,347,500	74,000
II. EXPENDITURE CATEGORY									
Personnel Costs	5,916,400	5,916,400		5,029,900	5,029,900		5,329,900	5,329,900	
Operating Expenses	807,600	807,600		757,800	757,800		758,300	758,300	
Grants, Loans, Benefits	83,400,500	83,400,500		62,615,000	63,135,000	520,000	61,739,300	62,160,300	421,000
Debt Service	7,533,000	7,533,000					446,000	99,000	(347,000)
TOTAL EXPENDITURES	97,657,500	97,657,500		68,402,700	68,922,700	520,000	68,273,500	68,347,500	74,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	40,007,700	40,007,700		9,422,300	9,422,300		11,222,800	11,222,800	
Restricted Funds	2,085,600	2,085,600		3,416,200	3,416,200		1,040,500	1,040,500	
Federal Funds	55,564,200	55,564,200		55,564,200	55,564,200		55,564,200	55,564,200	
Regular Total Funds	97,657,500	97,657,500		68,402,700	68,402,700		67,827,500	67,827,500	
Use of Continuing									
TOTAL BASE LEVEL	97,657,500	97,657,500		68,402,700	68,402,700		67,827,500	67,827,500	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					320,000	320,000	446,000	320,000	(126,000)
Restricted Funds					200,000	200,000		200,000	200,000
TOTAL ADDITIONAL					520,000	520,000	446,000	520,000	74,000
V. ADDITIONAL BUDGET ITEMS									
1	GB	JFA Grant							
ABRLDA00003	Provides General Fund support for the Federal Match for the Joint Funding Administration Grant.								
General Fund					320,000	320,000		320,000	320,000
Project Total					320,000	320,000		320,000	320,000
2	EXPAN	Debt Service							
ABRLDA00006	Provides funds for debt service for \$2.2 million Bond Funds for the Flood Control Matching Program.								
General Fund							99,000		(99,000)
Project Total							99,000		(99,000)

A - General Government

Operating Budget

Governor's Office for Local Development

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
3 EXPAN Debt Service - Restore Community Development Projects								
ABRLDA00007 Provides funds for debt service for the Louisville Zoo-Glacier Run Project, Pikeville Medical Center, and Lake Malone State Park Improvements.								
General Fund						347,000		(347,000)
Project Total						347,000		(347,000)
4 NEW Support of the 12 Multi-County Regional Industrial Park Authorities								
ABRLDA00008 Provides Restricted Funds to be distributed equally to each of the 12 Multi-County Regional Industrial Park Authorities.								
Restricted Funds				200,000	200,000		200,000	200,000
Project Total				200,000	200,000		200,000	200,000
TOTAL ADDITIONAL				520,000	520,000	446,000	520,000	74,000

TRANSFERS TO THE GENERAL FUND

Governor's Office for Local Development

Expendable Trust Fund (KRS 42.4582)			2,200,000	2,200,000		2,200,000	2,200,000
Other Special Revenue Fund	572,800	572,800					
TOTAL	572,800	572,800	2,200,000	2,200,000		2,200,000	2,200,000

GOVERNOR'S OFFICE FOR LOCAL DEVELOPMENT

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Governor's Office for Local Development, Expendable Trust Fund of \$2,200,000 in fiscal year 2008-2009 and \$2,200,000 in fiscal year 2009-2010, and a transfer from Other Special Revenue Fund of \$572,800 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

"Debt Service: Included in the above General Fund appropriation is \$446,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

The Executive Branch Budget supporting documents provide a General Fund appropriation of \$99,000 in fiscal year 2009-2010 for debt service on \$2,200,000 Bond Funds for the Flood Control Matching Fund and a General Fund appropriation of \$347,000 in fiscal year 2009-2010 for debt service on \$7,700,000 Bond Funds for Louisville Zoo-Glacier Run, Pikeville Medical Center, and Lake Malone State Park Improvements.

The Executive Branch Budget supporting documents also provide a General Fund appropriation of \$1,000,000 in each fiscal year for the Trover Clinic Grant (these funds are derived from coal severance revenues) and a General Fund appropriation of \$669,700 in each fiscal year for the administrative costs associated with managing the Local Government Economic Development Fund (LGEDF) single county grants (these funds are derived from coal severance revenues).

**GOVERNOR'S OFFICE FOR LOCAL DEVELOPMENT
GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following changes:

The General Assembly provides General Fund support totaling \$320,000 in each fiscal year for the Joint Funding Administration grant.

The General Assembly provides Restricted Funds totaling \$200,000 in each fiscal year for the 12 Multi-County regional industrial park authorities.

The General Assembly does not provide support for the Louisville Zoo-Glacier Run Project, Pikeville Medical Center Project, and Lake Malone State Park Improvements Project.

The General Assembly reduces General Fund support totaling \$446,000 in fiscal year 2009-2010 for new debt service.

The General Assembly deletes language related to General Fund appropriations for the Trover Clinic Grant and administrative costs associated with managing the LGEDF single county grants.

The General Assembly amends Part I, Operating Budget, language provision as follows:

"Debt Service: Included in the above General Fund appropriation is \$99,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

The General Assembly adds a Part I, Operating Budget, language provision as follows:

"Support of the 12 Multi-County Regional Industrial Park Authorities: Included in the above Restricted Funds appropriation is \$200,000 in fiscal year 2008-2009 and \$200,000 in fiscal year 2009-2010 in support of the 12 Multi-County regional industrial park authorities. Funds shall be distributed equally to the 12 Multi-County regional industrial park authorities for marketing and maintenance of the industrial parks and the procurement of property and casualty insurance on the parks."

The General Assembly amends Part II, Capital Budget, by adding reauthorization for the City of Brownsville - Building Improvement Project and the Times Star Commons - Planning Project and extending the purpose of the funds appropriated for the Times Star Commons - Planning Project to be used for land acquisition.

GOVERNOR'S OFFICE FOR LOCAL DEVELOPMENT

The General Assembly amends Part II, Capital Budget, to include the following language provisions:

"Reauthorization and Purpose of Funds: Notwithstanding any statutory provision or agreement between a state agency and a local government to the contrary, any fund balance remaining for grants to the City of Covington for Timestar Commons planning as appropriated in 2006 Ky. Acts ch. 252, Part I, A., 11., (10) and for the City of Covington - Times Star Commons - Planning in 2006 Ky. Acts ch. 252, Part II, P., Kenton County, 002., shall be reauthorized. The funds appropriated for the aforementioned projects and the City of Covington - Times Star Commons - Planning in 2006 Ky. Acts ch. 252, Part II, P., Kenton County, 001., may be used for land acquisition."

"Reauthorization: The above project from 2006 Ky. Acts ch. 252, Part II, P., Edmonson County, 001., is reauthorized for the 2008-2010 biennium."

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A - General Government**Capital Budget****Governor's Office for Local Development**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				9,900,000	2,200,000	(7,700,000)			
TOTAL CAPITAL				9,900,000	2,200,000	(7,700,000)			
II. CAPITAL PROJECTS									
1	Louisville Zoo - Glacier Run								
PRJLDA05003									
Bond Funds				6,000,000		(6,000,000)			
Project Total				6,000,000		(6,000,000)			
2	Flood Control Matching Fund								
PRJLDA01349									
Bond Funds				2,200,000	2,200,000				
Project Total				2,200,000	2,200,000				
3	Pike County Fiscal Court - Pikeville Medical Center - Planning, Design, and Construction								
PRJLDA05002									
Bond Funds				1,500,000		(1,500,000)			
Project Total				1,500,000		(1,500,000)			
4	Lake Malone State Park - Park Improvements and Miniature Golf Course								
PRJLDA05001									
Bond Funds				200,000		(200,000)			
Project Total				200,000		(200,000)			
5	Franklin County - Lease								
PRJLDA05000									
General Fund									
Project Total									
6	City of Brownsville - Building Improvement Reauthorization (\$200,000 General Fund)								
PRJLDA05005									
Agency Bonds									
Project Total									

A - General Government**Capital Budget****Governor's Office for Local Development**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
7	Times Star Commons - Planning Reauthorization (\$750,000 Bond Funds and \$250,000 General Fund)								
PRJLDA05007									
Agency Bonds									
Project Total									
TOTAL CAPITAL				9,900,000	2,200,000	(7,700,000)			

A - General Government

Operating Budget

Special Funds

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	112,061,300	112,061,300		108,780,500	107,180,500	(1,600,000)	106,089,100	103,936,600	(2,152,500)
Regular Total Funds	112,061,300	112,061,300		108,780,500	107,180,500	(1,600,000)	106,089,100	103,936,600	(2,152,500)
Use of Continuing									
TOTAL FUNDS	112,061,300	112,061,300		108,780,500	107,180,500	(1,600,000)	106,089,100	103,936,600	(2,152,500)
II. EXPENDITURE CATEGORY									
Grants, Loans, Benefits	112,061,300	112,061,300		108,780,500	107,180,500	(1,600,000)	106,089,100	103,936,600	(2,152,500)
TOTAL EXPENDITURES	112,061,300	112,061,300		108,780,500	107,180,500	(1,600,000)	106,089,100	103,936,600	(2,152,500)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	112,061,300	112,061,300		108,780,500	107,180,500	(1,600,000)	106,089,100	103,936,600	(2,152,500)
Regular Total Funds	112,061,300	112,061,300		108,780,500	107,180,500	(1,600,000)	106,089,100	103,936,600	(2,152,500)
Use of Continuing									
TOTAL BASE LEVEL	112,061,300	112,061,300		108,780,500	107,180,500	(1,600,000)	106,089,100	103,936,600	(2,152,500)
VI. EXPENDITURES BY UNIT									
Local Government Economic Assistance Fund									
General Fund	56,876,700	56,876,700		55,693,000	55,093,000	(600,000)	57,755,100	56,989,350	(765,750)
Local Government Economic Development Fund									
General Fund	54,399,200	54,399,200		52,396,300	51,396,300	(1,000,000)	47,642,800	46,256,050	(1,386,750)
Area Development Fund									
General Fund	785,400	785,400		691,200	691,200		691,200	691,200	
TOTAL	112,061,300	112,061,300		108,780,500	107,180,500	(1,600,000)	106,089,100	103,936,600	(2,152,500)

TRANSFERS TO THE GENERAL FUND

Local Government Economic Development Fund

Multi-County Fund - Debt Service (KRS 42.4588)	14,527,800	14,527,800		14,551,500	14,551,500	
TOTAL	14,527,800	14,527,800		14,551,500	14,551,500	

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly reduces Part I, Operating Budget, General Fund support totaling \$600,000 in fiscal year 2008-2009 and \$600,000 in fiscal year 2009-2010 for the Local Government Economic Assistance Fund.

ADDITIONAL ACTIONS BY THE GENERAL ASSEMBLY

House Bill 514, Section (1), amends the provisions of HB 406/EN and provides the following:

"On page 9, line 24, delete '57,155,100' and insert '56,989,350'; Adjust subsequent subtotals and totals accordingly;"

LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Local Government Economic Development Fund, Multi-County Fund, in the amount of \$14,527,800 in fiscal year 2009 and \$14,551,500 in fiscal year 2010 for debt service on prior year Infrastructure for Economic Development Fund for Coal Producing Counties Bond Funded projects.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Coal Severance Tax Collections Calculations and Transfers: The above appropriations from the General Fund are based on the official estimate presented by the Office of State Budget Director for coal severance tax collections during the biennium, distributed in accordance with KRS 42.450 to 42.495."

"Kentucky Workers' Compensation Funding Commission: Notwithstanding KRS 342.122(1)(c), no General Fund appropriation is provided to the Kentucky Workers' Compensation Funding Commission in fiscal year 2008-2009 and fiscal year 2009-2010."

"Osteopathic Medicine Scholarship Program: The transfer of moneys from the General Fund to the Local Government Economic Development Fund shall be made after the transfer to the Osteopathic Medicine Scholarship Program has been made pursuant to KRS 164.7891(11) and (12) in the amount of \$854,400 in fiscal year 2008-2009 and \$854,400 in fiscal year 2009-2010 within the Kentucky Higher Education Assistance Authority."

"Trover Clinic Grant: Notwithstanding KRS 42.4582 and 42.4585, the quarterly calculation and transfer of the funds shall be made

LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND

only after each quarterly installment of the annual appropriation of \$1,000,000 in fiscal year 2008-2009 and \$1,000,000 in fiscal year 2009-2010 has been credited to the Trover Clinic Grant within the Governor's Office for Local Development."

"Pharmacy Scholarship Fund: Notwithstanding KRS 164.7901(11) to (13), no funds shall be transferred to the Pharmacy Scholarship Program Fund within the Kentucky Higher Education Assistance Authority in fiscal year 2008-2009 and fiscal year 2009-2010."

"School Facilities Construction Commission - 2002-2004: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund in fiscal year 2008-2009 shall be made only after funds totaling \$4,617,900, and in fiscal year 2009-2010 shall be made only after funds totaling \$4,617,900, are appropriated as General Fund moneys to the School Facilities Construction Commission to provide debt service to support previously authorized bonds."

"Water and Sewer Resources Development Fund for Coal-Producing Counties - 2002-2004: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$4,091,400 in fiscal year 2008-2009 and \$4,091,400 in fiscal year 2009-2010 is appropriated as General Fund moneys to the Finance and Administration Cabinet, Debt Service budget unit, to provide General Fund debt service to support previously authorized bonds for the Water and Sewer Resources Development Fund for Coal-Producing Counties."

"Infrastructure for Economic Development Fund for Coal-Producing Counties - 2006-2008: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,071,400 in fiscal year 2008-2009 and \$1,074,800 in fiscal year 2009-2010 is appropriated as General Fund moneys to the Finance and Administration Cabinet, Debt Service budget unit, to provide General Fund debt service to support previously authorized bonds for the Infrastructure for Economic Development Fund for Coal-Producing Counties."

"Infrastructure for Economic Development Fund for Coal-Producing Counties - 2008-2010: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$4,420,000 in fiscal year 2009-2010 is appropriated as General Fund moneys to the Kentucky Infrastructure Authority budget unit, to provide General Fund debt service to support newly authorized bonds for the Water and Sewer Resources Development Fund for Coal-Producing Counties."

LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND

"Read to Achieve: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$4,000,000 in fiscal year 2008-2009 and \$4,000,000 in fiscal year 2009-2010 is appropriated as General Fund moneys to the Learning and Results Services budget unit for the Read to Achieve Program within the Department of Education."

"Flood Control Matching Pool: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$800,000 in fiscal year 2008-2009 and \$800,000 in fiscal year 2009-2010 is appropriated as General Fund moneys to the Governor's Office for Local Development for the Flood Control Matching Pool."

"Mine Safety: Notwithstanding KRS 45.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$3,000,000 in fiscal year 2008-2009 and \$3,000,000 in fiscal year 2009-2010 is appropriated as General Fund moneys to the Mine Safety and Licensing budget unit."

"Kentucky Infrastructure Authority: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$370,000 in fiscal year 2008-2009 and \$370,000 in fiscal year 2009-2010 is appropriated as General Fund moneys to the Kentucky Infrastructure Authority."

"Governor's Office for Local Development: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$669,700 in fiscal year 2008-2009 and \$669,700 in fiscal year 2009-2010 is appropriated as General Fund moneys to the Community Development Office in the Governor's Office for Local Development."

"Mining Engineering Scholarship Program: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$200,000 in fiscal year 2008-2009 and \$200,000 in fiscal year 2009-2010 is appropriated as General Fund moneys to the University of Kentucky budget unit for the Mining Engineering Scholarship Program."

"KIA Infrastructure for Economic Development Fund for Coal-Producing Counties - 2004-2006: Notwithstanding KRS

LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND

42.4588, funds totaling \$7,028,200 in fiscal year 2008-2009 and \$7,028,200 in fiscal year 2009-2010 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the General Fund to be used by the Finance and Administration Cabinet, Debt Service budget unit, to support previously authorized bonds for the Infrastructure for Economic Development Fund for Coal-Producing Counties Bond Pool."

"Drug Courts: Notwithstanding KRS 42.4588, \$1,800,000 in fiscal year 2008-2009 and \$1,800,000 in fiscal year 2009-2010 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Drug Court Program in the Office of Drug Control Policy, Justice Administration budget unit."

"Operation Unite: Notwithstanding KRS 42.4588, funds totaling \$1,250,000 in fiscal year 2008-2009 and \$1,250,000 in fiscal year 2009-2010 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Office of Drug Control Policy, Justice and Administration budget unit, for Operation Unite in relation to the Federal Task Force on Drug Abuse."

"Tourism Marketing Program: Notwithstanding KRS 42.4588, \$1,000,000 in fiscal year 2008-2009 and \$1,000,000 in fiscal year 2009-2010 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Tourism budget unit within the Commerce Cabinet for the Tourism Marketing Program."

"Energy Research and Development Fund: Notwithstanding KRS 42.4588, \$3,500,000 in fiscal year 2008-2009 and \$3,500,000 in fiscal year 2009-2010 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Office of Energy Policy budget unit. These funds shall be used for research projects relating to clean coal, new combustion technology, thin-seam coal extraction research, synthetic natural gas produced from coal through gasification processes, and the development of alternative transportation fuels produced by processes that convert coal or biomass resources or extract oil from oil shale and shall be targeted solely to Kentucky's Local Government Economic Development Fund-eligible counties. The Office of Energy Policy shall coordinate its efforts with those of Kentucky's universities and related Kentucky Community and Technical College System programs in order to maximize Kentucky's opportunities for federal funding and receive research grants and awards from federal and other sources of funding for the development of clean coal technology, coal-to-liquid-fuel conversion, alternate transportation fuels, and biomass energy resources."

"KIA Infrastructure for Economic Development Fund for Coal-Producing Counties - 2006-2008: Notwithstanding KRS 42.4588, funds totaling \$7,499,600 in fiscal year 2008-2009 and \$7,523,300 in fiscal year 2009-2010 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the General Fund to be used by the Finance and Administration Cabinet, Debt Service budget unit, to support previously authorized bonds for the Infrastructure for Economic

LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND

Development Fund for Coal-Producing Counties Bond Pool."

"Debt Service: All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there are sufficient moneys available to be transferred from coal severance tax-supported funding program accounts to other accounts of the General Fund."

"Parameters for County Flexibility: Notwithstanding KRS 42.4588(2), Local Government Economic Development Fund allocations may be used to support the nonrecurring investments in public health and safety, economic development, public infrastructure, information technology development and access, and public water and wastewater development, with the concurrence of both the respective fiscal court and the Governor's Office for Local Development or the Kentucky Infrastructure Authority, as appropriate."

"Kentucky Wood Products Competitiveness Corporation: Notwithstanding KRS 42.4586, no funds shall be transferred to the Secondary Wood Products Development Fund."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly reduces General Fund support totaling \$1,000,000 in each fiscal year for the Read to Achieve program, reduces General Fund support totaling \$4,420,000 in fiscal year 2009-2010 for the Infrastructure for Economic Development Fund for Coal-Producing Counties 2008-2010, and reduces Restricted Funds from the Multi-County fund totaling \$500,000 in each fiscal year for the Tourism Marketing Program.

The General Assembly increases General Fund support totaling \$100,000 in each fiscal year for the Mining Engineering Scholarship Program and increases Restricted Funds from the Multi-County Fund totaling \$750,000 in each fiscal year for Operation Unite.

The General Assembly provides General Fund support totaling \$2,500,000 in each fiscal year for School Technology in Coal Counties, provides General Fund support totaling \$1,000,000 in each fiscal year for the Robinson Scholars Program, and provides Restricted Funds from the Multi-County Fund totaling \$200,000 in each fiscal year for the 12 Multi-County Regional Industrial Park Authorities.

The General Assembly amends Part I, Operating Budget, language provisions as follows:

LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND

"Mine Safety: Notwithstanding KRS 42.4582 and 42.4585, the quarterly calculation and transfer of moneys from the General Fund to the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$3,000,000 in fiscal year 2008-2009 and \$3,000,000 in fiscal year 2009-2010 has been made to the Mine Safety and Licensing budget unit."

"Read to Achieve: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$3,000,000 in fiscal year 2008-2009 and \$3,000,000 in fiscal year 2009-2010 is appropriated as General Fund moneys to the Learning and Results Services budget unit for the Read to Achieve Program within the Department of Education."

"Tourism Marketing Program: Notwithstanding KRS 42.4588, \$500,000 in fiscal year 2008-2009 and \$500,000 in fiscal year 2009-2010 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Tourism budget unit within the Commerce Cabinet for the Tourism Marketing Program."

"Mining Engineering Scholarship Program: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$300,000 in fiscal year 2008-2009 and \$300,000 in fiscal year 2009-2010 is appropriated as General Fund moneys to the University of Kentucky budget unit for the Mining Engineering Scholarship Program."

"Operation Unite: Notwithstanding KRS 42.4588, funds totaling \$2,000,000 in fiscal year 2008-2009 and \$2,000,000 in fiscal year 2009-2010 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Office of Drug Control Policy, Justice and Administration budget unit, for Operation Unite in relation to the Federal Task Force on Drug Abuse."

"Energy Research and Development Fund: (a) Notwithstanding KRS 42.4588, \$3,500,000 in fiscal year 2008-2009 and \$3,500,000 in fiscal year 2009-2010 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Office of Energy Policy budget unit. These funds shall be used, except as specified in paragraph (b) of this subsection, for research projects relating to clean coal, new combustion technology, thin-seam coal extraction, safety, tracking and communication devices, coal slurry disposal, synthetic natural gas produced from coal through gasification processes, and the development of alternative transportation fuels produced by processes that convert coal or biomass resources or extract oil from oil shale, and other coal research and shall be targeted solely to Kentucky's Local Government Economic Development Fund-eligible counties. The Office of Energy Policy shall coordinate its efforts with those of Kentucky's universities and related Kentucky Community and Technical College System programs in order to maximize Kentucky's opportunities for federal funding and receive research grants and awards from

LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND

federal and other sources of funding for the development of clean coal technology, coal-to-liquid-fuel conversion, alternate transportation fuels, and biomass energy resources.

(b) The General Assembly recognizes the importance of proactively addressing the issue of carbon management in existing coal-fired and natural gas-fired power plants, and the need for the development of technologies to address carbon emissions from all sources. Further, the General Assembly recognizes that it is vital for the economic well-being of the Commonwealth and its citizens that technologies and strategies for the capture, utilization, or mitigation of carbon dioxide emissions be developed and demonstrated.

Therefore, included in the appropriation to the Office of Energy Policy from the Local Government Economic Development Fund, Multi-County Fund in paragraph (a) of this subsection is \$1,000,000 in fiscal year 2008-2009 and \$1,000,000 in fiscal year 2009-2010 which shall not be expended unless matched with federal or private funds for the purpose of supporting research and development activities at the University of Kentucky Center for Applied Energy Research directed toward the development and demonstration of technologies for carbon management. These technologies may include: chemical or mechanical capture, chemical or biological utilization, mitigation through the use of alternative fuel sources, or other relevant technologies."

The General Assembly adds Part I, Operating Budget, language provisions as follows:

"School Technology in Coal Counties: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$2,500,000 in fiscal year 2008-2009 and \$2,500,000 in fiscal year 2009-2010 is appropriated as General Fund moneys to the Office of Operations and Support Services budget unit within the Department of Education as set forth in Part I, D., 2., of this Act for the purpose of enhancing education technology in local school districts within coal-producing counties."

"Robinson Scholars Program: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,000,000 in fiscal year 2008-2009 and \$1,000,000 in fiscal year 2009-2010 is appropriated as General Fund moneys to the University of Kentucky for the Robinson Scholars Program."

"Support of the 12 Multi-County Regional Industrial Park Authorities: Notwithstanding KRS 42.4588, funds totaling \$200,000 in fiscal year 2008-2009 and \$200,000 in fiscal year 2009-2010 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Governor's Office for Local Development to be distributed equally to the 12 Multi-County regional industrial park authorities located in coal counties to be used for marketing and maintenance of the industrial parks and for procurement of property and casualty insurance on the parks."

LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND

The General Assembly amends Part I, Operating Budget, by deleting the language provision relating to the **"Infrastructure for Economic Development Fund for Coal-Producing Counties - 2008-2010"**.

ADDITIONAL ACTIONS BY THE GENERAL ASSEMBLY

House Bill 410, Section (3), amends the provisions of HB 406/EN and provides the following:

"On page 9, line 27, delete '51,062,800' and insert '46,642,800'; and Adjust subsequent subtotals and totals accordingly; and
On page 16, after line 18, insert:

'(28) Infrastructure for Economic Development Fund for Coal-Producing Counties - 2008-2010: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$4,420,000 in fiscal year 2009-2010 is appropriated as General Fund moneys to the Kentucky Infrastructure Authority budget unit, to provide General Fund debt service to support newly authorized bonds for the Water and Sewer Resources Development Fund for Coal-Producing Counties.'"

House Bill 514, Section (2), amends the provisions of HB 410/EN and provides the following:

"On page 9, line 10, delete '46,642,800' and insert '46,256,050';

On page 9, line 19, delete 'Water and Sewer Resources' and insert 'Infrastructure for Economic';

On page 9, line 20, after "Counties.", insert on the next line:

'(29) Infrastructure for Economic Development Fund for Coal-Producing Counties - 2008-2010: Notwithstanding KRS 42.4582 and 42.4585, the quarterly calculation and transfer of moneys from the General Fund to the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,105,000 in fiscal year 2009-2010 is appropriated to the Kentucky Infrastructure Authority budget unit, to provide General Fund debt service to support newly authorized bonds for the Infrastructure for Economic Development Fund for Coal-Producing Counties.;'"

AREA DEVELOPMENT FUND

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

"Appropriation Limit: Notwithstanding KRS 48.185, funds recommended from the General Fund for the Area Development Fund shall be limited to these amounts."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

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A - General Government

Operating Budget

Executive Branch Ethics Commission

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	448,500	448,500		448,500	448,500		448,500	448,500	
Restricted Funds	50,000	50,000		46,000	46,000		46,000	46,000	
Regular Total Funds	498,500	498,500		494,500	494,500		494,500	494,500	
Use of Continuing									
TOTAL FUNDS	498,500	498,500		494,500	494,500		494,500	494,500	
II. EXPENDITURE CATEGORY									
Personnel Costs	439,800	439,800		435,800	435,800		435,800	435,800	
Operating Expenses	58,700	58,700		58,700	58,700		58,700	58,700	
TOTAL EXPENDITURES	498,500	498,500		494,500	494,500		494,500	494,500	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	448,500	448,500		426,900	426,900		426,900	426,900	
Restricted Funds	50,000	50,000		46,000	46,000		46,000	46,000	
Regular Total Funds	498,500	498,500		472,900	472,900		472,900	472,900	
Use of Continuing									
TOTAL BASE LEVEL	498,500	498,500		472,900	472,900		472,900	472,900	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				21,600	21,600		21,600	21,600	
TOTAL ADDITIONAL				21,600	21,600		21,600	21,600	
V. ADDITIONAL BUDGET ITEMS									
1 GB	Part-Time Filled Position								
ABR354A0001 Provides general fund to support 1 part-time filled position.									
General Fund				21,600	21,600		21,600	21,600	
Project Total				21,600	21,600		21,600	21,600	
TOTAL ADDITIONAL				21,600	21,600		21,600	21,600	

EXECUTIVE BRANCH ETHICS COMMISSION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

A - General Government

Operating Budget

Secretary of State

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,329,500	2,329,500		2,050,000	2,050,000		2,050,000	2,050,000	
Restricted Funds	803,000	803,000		897,000	897,000		961,000	961,000	
Regular Total Funds	3,132,500	3,132,500		2,947,000	2,947,000		3,011,000	3,011,000	
Use of Continuing									
TOTAL FUNDS	3,132,500	3,132,500		2,947,000	2,947,000		3,011,000	3,011,000	
II. EXPENDITURE CATEGORY									
Personnel Costs	2,431,000	2,431,000		2,256,600	2,256,600		2,322,900	2,322,900	
Operating Expenses	701,500	701,500		690,400	690,400		688,100	688,100	
TOTAL EXPENDITURES	3,132,500	3,132,500		2,947,000	2,947,000		3,011,000	3,011,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,329,500	2,329,500		2,050,000	2,050,000		2,050,000	2,050,000	
Restricted Funds	803,000	803,000		897,000	897,000		961,000	961,000	
Regular Total Funds	3,132,500	3,132,500		2,947,000	2,947,000		3,011,000	3,011,000	
Use of Continuing									
TOTAL BASE LEVEL	3,132,500	3,132,500		2,947,000	2,947,000		3,011,000	3,011,000	
TRANSFERS TO THE GENERAL FUND									
Secretary of State									
Agency Revenue Fund (KRS 14.140)				1,347,000	1,347,000		1,347,000	1,347,000	
TOTAL				1,347,000	1,347,000		1,347,000	1,347,000	

SECRETARY OF STATE

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Use of Restricted Funds: Notwithstanding KRS 141.140(1) and (3), the above Restricted Funds may be used for the continuation of current activities within the Office of the Secretary of State."

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Secretary of State, Restricted Funds of \$1,347,000 in fiscal years 2009 and 2010.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly amends Part I, Operating Budget, by adding the following language:

"Redacting Service: Notwithstanding KRS 14.140(1) and (3), the Secretary of State is authorized to expend up to \$390,000 in Restricted Funds during the 2008-2010 biennium for redacting services."

A - General Government

Operating Budget

Board of Elections

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	4,770,900	4,770,900		4,210,700	4,210,700		2,847,400	2,847,400	
Restricted Funds	2,500	2,500		569,400	569,400		569,300	569,300	
Federal Funds	157,800	157,800		12,241,000	12,241,000		12,241,000	12,241,000	
Regular Total Funds	4,931,200	4,931,200		17,021,100	17,021,100		15,657,700	15,657,700	
Use of Continuing									
TOTAL FUNDS	4,931,200	4,931,200		17,021,100	17,021,100		15,657,700	15,657,700	
II. EXPENDITURE CATEGORY									
Personnel Costs	972,500	972,500		992,400	992,400		1,021,200	1,021,200	
Operating Expenses	609,800	609,800		671,800	671,800		667,900	667,900	
Grants, Loans, Benefits	3,348,900	3,348,900		15,356,900	15,356,900		13,968,600	13,968,600	
TOTAL EXPENDITURES	4,931,200	4,931,200		17,021,100	17,021,100		15,657,700	15,657,700	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	4,770,900	4,770,900		4,210,700	4,210,700		2,847,400	2,847,400	
Restricted Funds	2,500	2,500		569,400	569,400		569,300	569,300	
Federal Funds	157,800	157,800		5,628,500	5,628,500		5,628,500	5,628,500	
Regular Total Funds	4,931,200	4,931,200		10,408,600	10,408,600		9,045,200	9,045,200	
Use of Continuing									
TOTAL BASE LEVEL	4,931,200	4,931,200		10,408,600	10,408,600		9,045,200	9,045,200	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Federal Funds				6,612,500	6,612,500		6,612,500	6,612,500	
TOTAL ADDITIONAL				6,612,500	6,612,500		6,612,500	6,612,500	
V. ADDITIONAL BUDGET ITEMS									
1 GB Help America Vote Act (HAVA)									
ABR185F0005	Provides funds to meet the HAVA state plan requirements, by replacing lever voting machines, voter education and poll worker training, requiring provisional ballots, and assisting with compliance of ADA. Includes interest income.								
Federal Funds				6,612,500	6,612,500		6,612,500	6,612,500	
Project Total				6,612,500	6,612,500		6,612,500	6,612,500	
TOTAL ADDITIONAL				6,612,500	6,612,500		6,612,500	6,612,500	

BOARD OF ELECTIONS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Help America Vote Act of 2002: Amounts above those appropriated that are necessary to match Federal Funds from the Help America Vote Act shall be deemed a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund (KRS 48.705)."

"Cost of Elections: Notwithstanding KRS 116.145, the State Board of Elections shall set a rate for the fee for new voter registration paid to the county clerks within the available appropriated resources. The State Board of Elections shall also set a fixed rate for the expenses outlined in KRS 117.343 within the available appropriated resources. Notwithstanding KRS 117.345(2), the State Board of Elections shall set a rate for the expenses outlined in KRS 117.345(2) within the available appropriated resources. These rates and all assumptions as to the number of precincts, registered voters, and new voter registrations shall be communicated to the Secretary of the Finance and Administration Cabinet and the State Budget Director by November 1, 2008, for fiscal year 2008-2009 and by November 1, 2009, for fiscal year 2009-2010.

Costs associated with special elections, KRS 117.345(2) costs associated with additional precincts, KRS 117.343 costs for additional registered voters, and KRS 116.145 costs for additional new registered voters shall be deemed a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705). Any reimbursements authorized as a necessary government expense according to the above provisions shall be at the same rates as those established by the State Board of Elections as provided in the above paragraph."

BOARD OF ELECTIONS

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly amends Part I, Operating Budget, language provision relating to "**Cost of Elections**" as follows:

"Cost of Elections: Notwithstanding KRS 116.145, the State Board of Elections shall set a rate for the fee for new voter registration paid to the county clerks within the available appropriated resources. The State Board of Elections shall also set a fixed rate for the expenses outlined in KRS 117.343 within the available appropriated resources. Notwithstanding KRS 117.345(2), the State Board of Elections shall set a rate for the expenses outlined in KRS 117.345(2) for precincts with a voting machine within the available appropriated resources not to exceed \$300 per precinct per election. These rates and all assumptions as to the number of precincts, registered voters, and new voter registrations shall be communicated to the Secretary of the Finance and Administration Cabinet and the State Budget Director by November 1, 2008, for fiscal year 2008-2009 and by November 1, 2009, for fiscal year 2009-2010. Costs associated with special elections, KRS 117.345(2) costs associated with additional precincts with a voting machine, KRS 117.343 costs for additional registered voters, and KRS 116.145 costs for additional new registered voters shall be deemed a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705). Any reimbursements authorized as a necessary government expense according to the above provisions shall be at the same rates as those established by the State Board of Elections as provided in the above paragraph."

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A - General Government

Operating Budget

Registry of Election Finance

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	1,470,000	1,470,000		1,347,400	1,347,400		1,382,200	1,382,200	
Regular Total Funds	1,470,000	1,470,000		1,347,400	1,347,400		1,382,200	1,382,200	
Use of Continuing									
TOTAL FUNDS	1,470,000	1,470,000		1,347,400	1,347,400		1,382,200	1,382,200	
II. EXPENDITURE CATEGORY									
Personnel Costs	1,107,300	1,107,300		1,079,800	1,079,800		1,114,500	1,114,500	
Operating Expenses	362,700	362,700		267,600	267,600		267,700	267,700	
TOTAL EXPENDITURES	1,470,000	1,470,000		1,347,400	1,347,400		1,382,200	1,382,200	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	1,470,000	1,470,000		1,347,400	1,347,400		1,382,200	1,382,200	
Regular Total Funds	1,470,000	1,470,000		1,347,400	1,347,400		1,382,200	1,382,200	
Use of Continuing									
TOTAL BASE LEVEL	1,470,000	1,470,000		1,347,400	1,347,400		1,382,200	1,382,200	

REGISTRY OF ELECTION FINANCE

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

A - General Government

Operating Budget

Attorney General

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	14,272,800	14,272,800		12,873,800	12,873,800		13,284,000	13,284,000	
Restricted Funds	9,526,400	9,526,400		9,261,400	9,261,400		9,269,900	9,269,900	
Federal Funds	2,669,100	2,669,100		2,550,800	2,550,800		2,607,100	2,607,100	
Regular Total Funds	26,468,300	26,468,300		24,686,000	24,686,000		25,161,000	25,161,000	
Use of Continuing									
TOTAL FUNDS	26,468,300	26,468,300		24,686,000	24,686,000		25,161,000	25,161,000	
II. EXPENDITURE CATEGORY									
Personnel Costs	17,934,700	17,934,700		16,061,000	16,061,000		16,526,800	16,526,800	
Operating Expenses	2,724,700	2,724,700		2,643,300	2,643,300		2,652,500	2,652,500	
Grants, Loans, Benefits	5,808,900	5,808,900		5,981,700	5,981,700		5,981,700	5,981,700	
TOTAL EXPENDITURES	26,468,300	26,468,300		24,686,000	24,686,000		25,161,000	25,161,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	14,272,800	14,272,800		12,873,800	12,873,800		13,284,000	13,284,000	
Restricted Funds	9,526,400	9,526,400		9,027,600	9,027,600		9,023,600	9,023,600	
Federal Funds	2,669,100	2,669,100		2,509,200	2,509,200		2,509,200	2,509,200	
Regular Total Funds	26,468,300	26,468,300		24,410,600	24,410,600		24,816,800	24,816,800	
Use of Continuing									
TOTAL BASE LEVEL	26,468,300	26,468,300		24,410,600	24,410,600		24,816,800	24,816,800	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				233,800	233,800		246,300	246,300	
Federal Funds				41,600	41,600		97,900	97,900	
TOTAL ADDITIONAL				275,400	275,400		344,200	344,200	
V. ADDITIONAL BUDGET ITEMS									
1	DC	Defined Calculation							
ABR040ADC000 Provides funds to support the increment, retirement, and health insurance for positions supported by restricted and federal funds.									
Restricted Funds				233,800	233,800		246,300	246,300	
Federal Funds				41,600	41,600		97,900	97,900	
Project Total				275,400	275,400		344,200	344,200	
TOTAL ADDITIONAL				275,400	275,400		344,200	344,200	

A - General Government**Operating Budget****Attorney General**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TRANSFERS TO THE GENERAL FUND									
Attorney General									
Other Special Revenue Fund (KRS 367.964)					350,000	350,000		350,000	350,000
TOTAL					350,000	350,000		350,000	350,000

ATTORNEY GENERAL

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Expert Witnesses: In addition to such funds as may be appropriated, the Office of the Attorney General may request from the Finance and Administration Cabinet, as a necessary government expense, such funds as may be necessary for expert witnesses. Upon justification of the request, the Finance and Administration Cabinet shall provide up to \$275,000 for the 2008-2010 fiscal biennium for this purpose to the Office of the Attorney General. The Office of Insurance shall provide the Office of the Attorney General any available information to assist in the preparation of a rate hearing pursuant to KRS 304.17A-095."

"Annual and Sick Leave Service Credit: Notwithstanding any statutory or regulatory restrictions to the contrary, any former employee of the Unified Prosecutorial System who has been appointed to a permanent full-time position under KRS Chapter 18A shall be credited annual and sick leave based on service credited under the Kentucky Retirement Systems solely for the purpose of computation of sick and annual leave. This provision shall only apply to any new appointment or current employee as of July 1, 1998."

"Legal Services Contracts: The Office of the Attorney General may present proposals to state agencies specifying legal work that is presently accomplished through Personal Service Contracts that indicate the Office of the Attorney General's capacity to perform the work at a lesser cost. State agencies may agree to make arrangements with the Office of the Attorney General to perform the legal work and compensate the Office of the Attorney General for the legal services. Notwithstanding KRS Chapter 45A, the Office of the Attorney General may contract with outside law firms on a contingency basis."

ATTORNEY GENERAL

"Child Sexual Abuse License Plate Revenue: Notwithstanding KRS 186.162, the Transportation Cabinet shall review the costs related to the distribution of child victims' license plates. Any revenue received from the sale or renewal of those plates in excess of actual costs shall be transferred to the Child Victims' Trust Fund on an annual basis."

"Reasonable Costs of Litigation: Notwithstanding KRS 48.005(5) and (7), the Attorney General's Office may first recover its reasonable costs of litigation, and any remaining funds after consumer restitution is made shall be deposited in the General Fund Surplus Account."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly amends Part I, Operating Budget, to include the following language provision:

"Compensatory Leave Conversion to Sick Leave: If the Office of the Attorney General determines that internal budgetary pressures warrant further austerity measures, the Attorney General may institute a policy to suspend payment of 50 hour blocks of compensatory time for those attorneys who have accumulated 240 hours of compensatory time and instead convert those hours to sick leave."

The General Assembly modifies Part I, Operating Budget, language provision as follows:

"Reasonable Costs of Litigation: Notwithstanding KRS 48.005(5) and (7), the Attorney General's Office may first recover its reasonable costs of litigation, as determined by the court, and any remaining funds after consumer restitution is made shall be deposited in the General Fund Surplus Account (KRS 48.700). Any costs recovered under this subsection shall be reported to the Interim Joint Committee on Appropriations and Revenue."

The General Assembly amends Part V, Funds Transfer, to include a transfer from Attorney General, Other Special Revenue Funds of \$350,000 in each fiscal year.

A - General Government**Capital Budget****Attorney General**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

II. CAPITAL PROJECTS**1** **Franklin County - Lease**

PRJ040A5000

General Fund

Project Total**TOTAL CAPITAL**

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A - General Government

Operating Budget

Unified Prosecutorial System Summary

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	61,301,000	61,301,000		59,967,900	61,301,000	1,333,100	61,919,600	61,301,000	(618,600)
Restricted Funds	508,300	508,300		1,788,500	1,788,500		1,861,300	1,861,300	
Federal Funds	609,700	609,700		668,000	668,000		699,000	699,000	
Regular Total Funds	62,419,000	62,419,000		62,424,400	63,757,500	1,333,100	64,479,900	63,861,300	(618,600)
Use of Continuing									
TOTAL FUNDS	62,419,000	62,419,000		62,424,400	63,757,500	1,333,100	64,479,900	63,861,300	(618,600)
II. EXPENDITURE CATEGORY									
Personnel Costs	57,167,700	57,167,700		56,900,700	58,233,800	1,333,100	58,953,200	58,334,600	(618,600)
Operating Expenses	5,216,300	5,216,300		5,489,000	5,489,000		5,492,000	5,492,000	
Grants, Loans, Benefits	35,000	35,000		34,700	34,700		34,700	34,700	
TOTAL EXPENDITURES	62,419,000	62,419,000		62,424,400	63,757,500	1,333,100	64,479,900	63,861,300	(618,600)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	61,301,000	61,301,000		59,967,900	61,301,000	1,333,100	61,919,600	61,301,000	(618,600)
Restricted Funds	508,300	508,300		620,200	620,200		613,600	613,600	
Federal Funds	609,700	609,700		576,800	576,800		589,600	589,600	
Regular Total Funds	62,419,000	62,419,000		61,164,900	62,498,000	1,333,100	63,122,800	62,504,200	(618,600)
Use of Continuing									
TOTAL BASE LEVEL	62,419,000	62,419,000		61,164,900	62,498,000	1,333,100	63,122,800	62,504,200	(618,600)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				1,168,300	1,168,300		1,247,700	1,247,700	
Federal Funds				91,200	91,200		109,400	109,400	
TOTAL ADDITIONAL				1,259,500	1,259,500		1,357,100	1,357,100	

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A - General Government

Operating Budget

Commonwealth's Attorneys

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	33,147,800	33,147,800		32,296,700	33,147,800	851,100	33,007,200	33,147,800	140,600
Restricted Funds	309,800	309,800		1,484,800	1,484,800		1,557,600	1,557,600	
Federal Funds	121,600	121,600		97,800	97,800		114,300	114,300	
Regular Total Funds	33,579,200	33,579,200		33,879,300	34,730,400	851,100	34,679,100	34,819,700	140,600
Use of Continuing									
TOTAL FUNDS	33,579,200	33,579,200		33,879,300	34,730,400	851,100	34,679,100	34,819,700	140,600
II. EXPENDITURE CATEGORY									
Personnel Costs	29,545,100	29,545,100		29,800,500	30,651,600	851,100	30,600,300	30,740,900	140,600
Operating Expenses	3,999,100	3,999,100		4,044,100	4,044,100		4,044,100	4,044,100	
Grants, Loans, Benefits	35,000	35,000		34,700	34,700		34,700	34,700	
TOTAL EXPENDITURES	33,579,200	33,579,200		33,879,300	34,730,400	851,100	34,679,100	34,819,700	140,600
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	33,147,800	33,147,800		32,296,700	33,147,800	851,100	33,007,200	33,147,800	140,600
Restricted Funds	309,800	309,800		316,500	316,500		309,900	309,900	
Federal Funds	121,600	121,600		88,700	88,700		101,500	101,500	
Regular Total Funds	33,579,200	33,579,200		32,701,900	33,553,000	851,100	33,418,600	33,559,200	140,600
Use of Continuing									
TOTAL BASE LEVEL	33,579,200	33,579,200		32,701,900	33,553,000	851,100	33,418,600	33,559,200	140,600
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				1,168,300	1,168,300		1,247,700	1,247,700	
Federal Funds				9,100	9,100		12,800	12,800	
TOTAL ADDITIONAL				1,177,400	1,177,400		1,260,500	1,260,500	
V. ADDITIONAL BUDGET ITEMS									
1	DC	Defined Calculation							
ABR030ADC000 Provides funds to support the increment, retirement, and health insurance for positions supported by restricted and federal funds.									
Restricted Funds				14,000	14,000		20,600	20,600	
Federal Funds				9,100	9,100		12,800	12,800	
Project Total				23,100	23,100		33,400	33,400	

A - General Government**Operating Budget****Commonwealth's Attorneys**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2 NEW Other Grants								
ABR030A0009 Establish a restricted fund account for grants that are administered in off-budget accounts.								
Restricted Funds			1,154,300	1,154,300		1,227,100	1,227,100	
Project Total			1,154,300	1,154,300		1,227,100	1,227,100	
TOTAL ADDITIONAL			1,177,400	1,177,400		1,260,500	1,260,500	

COMMONWEALTH'S ATTORNEYS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Prosecutors Advisory Council Administrative Functions: The Prosecutors Advisory Council shall approve compensation for employees of the Unified Prosecutorial System subject to the appropriations in this Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly provides General Fund support to maintain the recommended fiscal year 2007-2008 budget in each fiscal year.

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A - General Government**Capital Budget****Commonwealth's Attorneys**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

II. CAPITAL PROJECTS**1** **Jefferson County - Lease**

PRJ030A5000

General Fund

Project Total**TOTAL CAPITAL**

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A - General Government

Operating Budget

County Attorneys

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	28,153,200	28,153,200		27,671,200	28,153,200	482,000	28,912,400	28,153,200	(759,200)
Restricted Funds	198,500	198,500		303,700	303,700		303,700	303,700	
Federal Funds	488,100	488,100		570,200	570,200		584,700	584,700	
Regular Total Funds	28,839,800	28,839,800		28,545,100	29,027,100	482,000	29,800,800	29,041,600	(759,200)
Use of Continuing									
TOTAL FUNDS	28,839,800	28,839,800		28,545,100	29,027,100	482,000	29,800,800	29,041,600	(759,200)
II. EXPENDITURE CATEGORY									
Personnel Costs	27,622,600	27,622,600		27,100,200	27,582,200	482,000	28,352,900	27,593,700	(759,200)
Operating Expenses	1,217,200	1,217,200		1,444,900	1,444,900		1,447,900	1,447,900	
TOTAL EXPENDITURES	28,839,800	28,839,800		28,545,100	29,027,100	482,000	29,800,800	29,041,600	(759,200)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	28,153,200	28,153,200		27,671,200	28,153,200	482,000	28,912,400	28,153,200	(759,200)
Restricted Funds	198,500	198,500		303,700	303,700		303,700	303,700	
Federal Funds	488,100	488,100		488,100	488,100		488,100	488,100	
Regular Total Funds	28,839,800	28,839,800		28,463,000	28,945,000	482,000	29,704,200	28,945,000	(759,200)
Use of Continuing									
TOTAL BASE LEVEL	28,839,800	28,839,800		28,463,000	28,945,000	482,000	29,704,200	28,945,000	(759,200)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Federal Funds				82,100	82,100		96,600	96,600	
TOTAL ADDITIONAL				82,100	82,100		96,600	96,600	
V. ADDITIONAL BUDGET ITEMS									
1 DC Defined Calculation									
ABR030BDC000 Provides funds to support the increment, retirement, and health insurance for positions supported by federal funds.									
Federal Funds				82,100	82,100		96,600	96,600	
Project Total				82,100	82,100		96,600	96,600	
TOTAL ADDITIONAL				82,100	82,100		96,600	96,600	

COUNTY ATTORNEYS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Prosecutors Advisory Council Administrative Functions: The Prosecutors Advisory Council shall approve compensation for employees of the Unified Prosecutorial System subject to the appropriations in this Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly provides General Fund support to maintain the recommended fiscal year 2007-2008 budget in each fiscal year.

A - General Government

Operating Budget

Treasury

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,190,400	2,190,400		1,927,600	1,927,600		1,927,600	1,927,600	
Restricted Funds	738,000	738,000		785,300	785,300		801,100	801,100	
Road Fund	250,000	250,000		250,000	250,000		250,000	250,000	
Regular Total Funds	3,178,400	3,178,400		2,962,900	2,962,900		2,978,700	2,978,700	
Use of Continuing									
TOTAL FUNDS	3,178,400	3,178,400		2,962,900	2,962,900		2,978,700	2,978,700	
II. EXPENDITURE CATEGORY									
Personnel Costs	2,517,700	2,517,700		2,334,600	2,334,600		2,350,000	2,350,000	
Operating Expenses	660,700	660,700		628,300	628,300		628,700	628,700	
TOTAL EXPENDITURES	3,178,400	3,178,400		2,962,900	2,962,900		2,978,700	2,978,700	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,190,400	2,190,400		1,927,600	1,927,600		1,927,600	1,927,600	
Restricted Funds	738,000	738,000		785,300	785,300		801,100	801,100	
Road Fund	250,000	250,000		250,000	250,000		250,000	250,000	
Regular Total Funds	3,178,400	3,178,400		2,962,900	2,962,900		2,978,700	2,978,700	
Use of Continuing									
TOTAL BASE LEVEL	3,178,400	3,178,400		2,962,900	2,962,900		2,978,700	2,978,700	

TREASURY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Unclaimed Property Fund: Included in the above Restricted Funds appropriation is a recurring transfer from the Unclaimed Property Fund. In each respective fiscal year of the 2008-2010 biennium, \$785,300 and \$801,100 is appropriated to provide funding for services performed by the Unclaimed Property Division of the Department of Treasury."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

A - General Government**Capital Budget****Treasury**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Investment Income				141,000	141,000		141,000	141,000	
TOTAL CAPITAL				141,000	141,000		141,000	141,000	
II. CAPITAL PROJECTS									
1	Lease-Purchase of Xerox Laser Printers								
PRJ125D1614									
Investment Income				141,000	141,000		141,000	141,000	
Project Total				141,000	141,000		141,000	141,000	
TOTAL CAPITAL				141,000	141,000		141,000	141,000	

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A - General Government

Operating Budget

Agriculture

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	21,318,500	21,318,500		19,958,700	20,258,700	300,000	21,172,200	21,516,200	344,000
Restricted Funds	7,673,900	7,673,900		6,351,000	6,351,000		5,625,100	5,625,100	
Federal Funds	5,089,200	5,089,200		4,765,800	4,765,800		4,706,800	4,706,800	
Regular Total Funds	34,081,600	34,081,600		31,075,500	31,375,500	300,000	31,504,100	31,848,100	344,000
Use of Continuing	402,900	402,900							
TOTAL FUNDS	34,484,500	34,484,500		31,075,500	31,375,500	300,000	31,504,100	31,848,100	344,000
II. EXPENDITURE CATEGORY									
Personnel Costs	19,229,800	19,229,800		17,856,400	18,106,400	250,000	18,420,400	18,670,400	250,000
Operating Expenses	6,724,500	6,724,500		6,182,500	6,182,500		6,093,800	6,093,800	
Grants, Loans, Benefits	5,950,100	5,950,100		5,104,400	5,154,400	50,000	4,834,700	4,884,700	50,000
Debt Service							223,000	267,000	44,000
Capital Outlay	2,580,100	2,580,100		1,932,200	1,932,200		1,932,200	1,932,200	
TOTAL EXPENDITURES	34,484,500	34,484,500		31,075,500	31,375,500	300,000	31,504,100	31,848,100	344,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	21,318,500	21,318,500		19,197,900	19,197,900		20,154,300	20,154,300	
Restricted Funds	7,673,900	7,673,900		6,225,500	6,225,500		5,489,800	5,489,800	
Federal Funds	5,089,200	5,089,200		4,765,800	4,765,800		4,706,800	4,706,800	
Regular Total Funds	34,081,600	34,081,600		30,189,200	30,189,200		30,350,900	30,350,900	
Use of Continuing	402,900	402,900							
TOTAL BASE LEVEL	34,484,500	34,484,500		30,189,200	30,189,200		30,350,900	30,350,900	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				760,800	1,060,800	300,000	1,017,900	1,361,900	344,000
Restricted Funds				125,500	125,500		135,300	135,300	
TOTAL ADDITIONAL				886,300	1,186,300	300,000	1,153,200	1,497,200	344,000
V. ADDITIONAL BUDGET ITEMS									
1 GB	Motor Fuel Inspection - vacant positions								
ABR035W0002	Provides funds for 16 vacant positions in the motor fuel inspection area.								
General Fund				667,300	667,300		694,200	694,200	
Project Total				667,300	667,300		694,200	694,200	

A - General Government**Operating Budget****Agriculture**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2 GB Consumer and Environmental Program - vacant positions								
ABR035W0004 Provides funds for 3 vacant positions in the Consumer and Environmental Program.								
General Fund			93,500	93,500		100,700	100,700	
Restricted Funds			125,500	125,500		135,300	135,300	
Project Total			219,000	219,000		236,000	236,000	
3 GB Additional Personnel								
ABR035W0011 Provides funds to support additional inspectors and increased staff training.								
General Fund				250,000	250,000		250,000	250,000
Project Total				250,000	250,000		250,000	250,000
4 EXPAN County Fairs								
ABR035W0009 Provides funds to increase capital improvement grants to county fairs.								
General Fund				50,000	50,000		50,000	50,000
Project Total				50,000	50,000		50,000	50,000
5 NEW Animal Shelters								
ABR035W0022 Provides funds for debt service in FY2009-2010								
General Fund						223,000	267,000	44,000
Project Total						223,000	267,000	44,000
TOTAL ADDITIONAL			886,300	1,186,300	300,000	1,153,200	1,497,200	344,000

AGRICULTURE

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Purchase of Agricultural Conservation Easement (PACE) Program: The PACE board may contract directly with land surveyors, real estate appraisers, and other licensed professionals as necessary. The Department of Agriculture may receive funds from local and private sources to match Federal Funds for the Purchase of Agricultural Conservation Easement (PACE) Program."

"Metrology Lab Operating Fees: The Department of Agriculture may promulgate administrative regulations establishing license fees, testing fees, and any other fees necessary to operate and maintain a metrology lab in the Department of Agriculture. These Restricted Funds receipts shall be utilized for personnel and operations of the metrology lab."

"Debt Service: Included in the above General Fund appropriation is \$223,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly provides additional General Fund support of \$250,000 in fiscal year 2008-2009 and \$250,000 in fiscal year 2009-2010 for inspectors for amusement rides and attractions.

AGRICULTURE

The General Assembly provides additional General Fund support of \$44,000 in fiscal year 2009-2010 for debt service to support additional bonds as set forth in Part II, Capital Budget.

The General Assembly amends Part II, Capital Budget, to include an additional \$500,000 in bonds for animal shelters in fiscal year 2008-2009.

The General Assembly adds Part I, Operating Budget, language provision as follows: "**Amusement Rides and Attractions Inspectors:** To provide for the highest level of public safety, the Department of Agriculture shall allocate sufficient resources for inspectors of amusement rides and attractions."

A - General Government**Capital Budget****Agriculture**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				2,500,000	3,000,000	500,000			
TOTAL CAPITAL				2,500,000	3,000,000	500,000			
II. CAPITAL PROJECTS									
1	Animal Shelters								
PRJ035W1597									
Bond Funds				2,500,000	3,000,000	500,000			
Project Total				2,500,000	3,000,000	500,000			
2	Franklin County - Lease								
PRJ035W5000									
General Fund									
Project Total									
TOTAL CAPITAL				2,500,000	3,000,000	500,000			

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A - General Government

Operating Budget

Auditor of Public Accounts

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	5,844,900	5,844,900		5,369,800	5,369,800		5,660,300	5,660,300	
Restricted Funds	4,379,900	4,379,900		4,266,700	4,266,700		4,266,700	4,266,700	
Regular Total Funds	10,224,800	10,224,800		9,636,500	9,636,500		9,927,000	9,927,000	
Use of Continuing									
TOTAL FUNDS	10,224,800	10,224,800		9,636,500	9,636,500		9,927,000	9,927,000	
II. EXPENDITURE CATEGORY									
Personnel Costs	9,048,700	9,048,700		8,583,200	8,583,200		8,872,900	8,872,900	
Operating Expenses	1,176,100	1,176,100		1,053,300	1,053,300		1,054,100	1,054,100	
TOTAL EXPENDITURES	10,224,800	10,224,800		9,636,500	9,636,500		9,927,000	9,927,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	5,844,900	5,844,900		5,369,800	5,369,800		5,660,300	5,660,300	
Restricted Funds	4,379,900	4,379,900		4,266,700	4,266,700		4,266,700	4,266,700	
Regular Total Funds	10,224,800	10,224,800		9,636,500	9,636,500		9,927,000	9,927,000	
Use of Continuing									
TOTAL BASE LEVEL	10,224,800	10,224,800		9,636,500	9,636,500		9,927,000	9,927,000	

AUDITOR OF PUBLIC ACCOUNTS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Auditor's Scholarships: Notwithstanding KRS 43.200, no funding is provided for Auditor's scholarships."

"Audit Services Contracts: No state agency shall enter into any contract with a nongovernmental entity for an audit unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within 30 days of receipt of a written request. The agency requesting the audit shall furnish the Auditor of Public Accounts a comprehensive statement of the scope and nature of the proposed audit."

"Audit Records and Status Reports: The Auditor of Public Accounts shall report in writing each 60 days to the Interim Joint Committee on Appropriations and Revenue the progress of all state audits, together with copies of all completed audits. The Auditor of Public Accounts shall maintain a record of all time and expenses for each audit or investigation."

"Compensatory Leave Conversion to Sick Leave: If the Auditor of Public Accounts determines that internal budgetary pressures warrant further austerity measures, the State Auditor may institute a policy to suspend payment of 50 hour blocks of compensatory time for those auditors who have accumulated 240 hours of compensatory time and instead convert those hours to sick leave."

"Charges for Federal, State, and Local Audits: Any additional expense incurred by the Auditor of Public Accounts for auditing Federal Funds shall be charged to the audited agency. The Auditor of Public Accounts may increase the audit fees for conducting

AUDITOR OF PUBLIC ACCOUNTS

county audits if additional revenues are needed to continue the operation of the office. The Auditor of Public Accounts shall maintain a record of all costs and expenditures associated with this provision.

If a county government is delinquent in its payment to the Auditor of Public Accounts, the Finance and Administration Cabinet shall withhold any moneys due that county government until the Auditor of Public Accounts has received full payment from the county.

Any expenses incurred by the Auditor of Public Accounts for auditing a state or local government agency shall be charged to the agency or entity audited.

Any expenses incurred by the Auditor of Public Accounts for auditing individual governmental entities when mandated by a legislative committee shall be charged to the agency or entity receiving audit services."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly deletes a Part I, Operating Budget, language provision relating to "**Charges for Federal, State and Local Audits**".

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A - General Government**Operating Budget****Personnel Board**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	767,100	767,100		740,700	740,700		793,800	793,800	
Regular Total Funds	767,100	767,100		740,700	740,700		793,800	793,800	
Use of Continuing									
TOTAL FUNDS	767,100	767,100		740,700	740,700		793,800	793,800	
II. EXPENDITURE CATEGORY									
Personnel Costs	674,500	674,500		647,400	647,400		661,900	661,900	
Operating Expenses	92,600	92,600		93,300	93,300		131,900	131,900	
TOTAL EXPENDITURES	767,100	767,100		740,700	740,700		793,800	793,800	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	767,100	767,100		740,700	740,700		755,800	755,800	
Regular Total Funds	767,100	767,100		740,700	740,700		755,800	755,800	
Use of Continuing									
TOTAL BASE LEVEL	767,100	767,100		740,700	740,700		755,800	755,800	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds							38,000	38,000	
TOTAL ADDITIONAL							38,000	38,000	
V. ADDITIONAL BUDGET ITEMS									
1 NEW 2010 Personnel Board Employee Member Election									
ABR268A0002 Provides funds for the election of 2 merit employees to the Personnel Board.									
Restricted Funds							38,000	38,000	
Project Total							38,000	38,000	
TOTAL ADDITIONAL							38,000	38,000	

PERSONNEL BOARD

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

"Personnel Board Operating Assessment: Each agency of the Executive Branch with employees covered by KRS Chapter 18A shall be assessed each fiscal year the amount required for the operation of the Personnel Board. The agency assessment shall be determined by the Secretary of the Finance and Administration Cabinet based on the authorized full-time positions of each agency on July 1 of each year of the biennium. The Secretary of the Finance and Administration Cabinet shall collect the assessment."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly adds a Part I, Operating Budget, language provision as follows:

"Special Assessment: As a result of increased workload or for other reasons in the best interest of the State Merit System, the Chairman of the Personnel Board may request a special assessment to adequately provide for the financial needs and operations of the Personnel Board. Any special assessment for Personnel Board operations shall receive the prior approval of the State Budget Director and the Secretary of the Finance and Administration Cabinet. Should a special assessment be approved, it shall be uniformly implemented with the same procedures as the regular Personnel Board Operating Assessment."

A - General Government

Operating Budget

Kentucky Retirement Systems

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	24,253,100	24,253,100		23,905,600	25,905,600	2,000,000	24,725,500	26,725,500	2,000,000
Regular Total Funds	24,253,100	24,253,100		23,905,600	25,905,600	2,000,000	24,725,500	26,725,500	2,000,000
Use of Continuing									
TOTAL FUNDS	24,253,100	24,253,100		23,905,600	25,905,600	2,000,000	24,725,500	26,725,500	2,000,000
II. EXPENDITURE CATEGORY									
Personnel Costs	19,269,400	19,269,400		19,161,700	20,661,700	1,500,000	19,866,600	21,366,600	1,500,000
Operating Expenses	4,174,300	4,174,300		4,243,900	4,743,900	500,000	4,208,900	4,708,900	500,000
Capital Outlay	809,400	809,400		500,000	500,000		650,000	650,000	
TOTAL EXPENDITURES	24,253,100	24,253,100		23,905,600	25,905,600	2,000,000	24,725,500	26,725,500	2,000,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	24,253,100	24,253,100		23,905,600	23,905,600		24,725,500	24,725,500	
Regular Total Funds	24,253,100	24,253,100		23,905,600	23,905,600		24,725,500	24,725,500	
Use of Continuing									
TOTAL BASE LEVEL	24,253,100	24,253,100		23,905,600	23,905,600		24,725,500	24,725,500	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds					2,000,000	2,000,000		2,000,000	2,000,000
TOTAL ADDITIONAL					2,000,000	2,000,000		2,000,000	2,000,000
V. ADDITIONAL BUDGET ITEMS									
1 GB	START Project Implementation								
ABR100H0003	Provides funds to support the additional operating cost required by the new technology capital project previously approved.								
Restricted Funds					2,000,000	2,000,000		2,000,000	2,000,000
Project Total					2,000,000	2,000,000		2,000,000	2,000,000
TOTAL ADDITIONAL					2,000,000	2,000,000		2,000,000	2,000,000

KENTUCKY RETIREMENT SYSTEMS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Dependent Subsidy for Retirees - Kentucky Employee Retirement System: From July 1, 2008, through June 30, 2010, in addition to the benefits conferred under KRS 61.702, a recipient of a nonhazardous monthly retirement allowance shall also be eligible for the dependent subsidy as provided under the terms established by the State Group Health Insurance Program."

"Dependent Subsidy for Retirees - County Employees Retirement System : From July 1, 2008, through June 30, 2010, in addition to the benefits conferred under KRS 61.702, a recipient of a nonhazardous monthly retirement allowance shall also be eligible for the dependent subsidy as provided under the terms established by the State Group Health Insurance Program."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly modifies the Part I, Operating Budget, language provisions as follows:

"Dependent Subsidy for Retirees - Kentucky Employee Retirement System: From January 1, 2008, through June 30, 2010, in addition to the benefits conferred under KRS 61.702, a recipient of a nonhazardous monthly retirement allowance shall also be eligible for the dependent subsidy as provided under the terms established by the State Group Health Insurance Program. The dependent subsidy conferred to recipients of a nonhazardous monthly retirement allowance shall not be considered as a benefit

KENTUCKY RETIREMENT SYSTEMS

protected by the inviolable contract provisions of KRS 61.692, 16.652 and 78.852."

"Dependent Subsidy for Retirees - County Employees Retirement System : From January 1, 2008, through June 30, 2010, in addition to the benefits conferred under KRS 61.702, a recipient of a nonhazardous monthly retirement allowance shall also be eligible for the dependent subsidy as provided under the terms established by the State Group Health Insurance Program. The dependent subsidy conferred to recipients of a nonhazardous monthly retirement allowance shall not be considered as a benefit protected by the inviolable contract provisions of KRS 61.692, 16.652 and 78.852."

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A - General Government**Capital Budget****Kentucky Retirement Systems**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				2,700,000	2,700,000				
TOTAL CAPITAL				2,700,000	2,700,000				
II. CAPITAL PROJECTS									
1	Kentucky Retirement Systems Line of Business Project - Additional								
PRJ100H1348									
Restricted Funds				2,700,000	2,700,000				
Project Total				2,700,000	2,700,000				
2	Franklin County - Lease - Perimeter Park West								
PRJ100H5000									
Restricted Funds									
Project Total									
TOTAL CAPITAL				2,700,000	2,700,000				

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A - General Government

Operating Budget

Boards and Commissions

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	19,534,100	19,534,100		19,739,200	19,739,200		19,959,300	19,959,300	
Regular Total Funds	19,534,100	19,534,100		19,739,200	19,739,200		19,959,300	19,959,300	
Use of Continuing									
TOTAL FUNDS	19,534,100	19,534,100		19,739,200	19,739,200		19,959,300	19,959,300	
II. EXPENDITURE CATEGORY									
Personnel Costs	14,032,600	14,032,600		14,590,400	14,590,400		14,876,200	14,876,200	
Operating Expenses	4,637,800	4,637,800		4,472,600	4,472,600		4,407,000	4,407,000	
Grants, Loans, Benefits	757,800	757,800		600,300	600,300		600,300	600,300	
Capital Outlay	105,900	105,900		75,900	75,900		75,800	75,800	
TOTAL EXPENDITURES	19,534,100	19,534,100		19,739,200	19,739,200		19,959,300	19,959,300	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	19,490,800	19,490,800		18,968,800	18,968,800		19,209,200	19,209,200	
Regular Total Funds	19,490,800	19,490,800		18,968,800	18,968,800		19,209,200	19,209,200	
Use of Continuing									
TOTAL BASE LEVEL	19,490,800	19,490,800		18,968,800	18,968,800		19,209,200	19,209,200	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds	43,300	43,300		770,400	770,400		750,100	750,100	
TOTAL ADDITIONAL	43,300	43,300		770,400	770,400		750,100	750,100	
V. ADDITIONAL BUDGET ITEMS									
1 GB Board of Auctioneers - Operating									
ABR155A0001 Provides funds to support operating costs for printing, postage, and computers.									
Restricted Funds				28,700	28,700		8,400	8,400	
Project Total				28,700	28,700		8,400	8,400	
2 GB Board of Barbering - Re-instate Vacant Position									
ABR165A0001 Provides funds for 1 other vacant position.									
Restricted Funds				3,300	3,300		3,300	3,300	
Project Total				3,300	3,300		3,300	3,300	
3 GB Board of Chiropractic Examiners - Salary Adjustments									
ABR170A0001 Provides funds to support salary adjustments due to position changes.									
Restricted Funds				43,000	43,000		43,000	43,000	
Project Total				43,000	43,000		43,000	43,000	

A - General Government**Operating Budget****Boards and Commissions**

			Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
			Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
4	GB	Board of Professional Counselors - Legal Services									
ABR172A0001 Provides additional support for legal services.											
Restricted Funds						5,300	5,300		5,300	5,300	
Project Total						5,300	5,300		5,300	5,300	
5	GB	Board of Licensure for Massage Therapy - Operating									
ABR177A0001 Provides funds to support operating costs for Board travel and legal services.											
Restricted Funds						10,400	10,400		10,400	10,400	
Project Total						10,400	10,400		10,400	10,400	
6	GB	Board of Dentistry - Re-instate Vacant Position									
ABR180A0001 Provide funds for 1 full-time vacant position.											
Restricted Funds						39,500	39,500		39,500	39,500	
Project Total						39,500	39,500		39,500	39,500	
7	GB	Board of Embalmers and Funeral Directors - Restore Operating									
ABR190A0001 Provides funds to restore operating and support increases related to personnel overlap and travel expenses.											
Restricted Funds						14,000	14,000		14,000	14,000	
Project Total						14,000	14,000		14,000	14,000	
8	GB	Board of Architects - Additional Personnel									
ABR200A0001 Provides funds for 4 other vacant positions. These are Compliance Officers that will be used in lieu of personal service contracts.											
Restricted Funds						18,000	18,000		18,000	18,000	
Project Total						18,000	18,000		18,000	18,000	
9	GB	Board of Examiners and Registration of Landscape Architects - Additional Support									
ABR205A0002 Provides additional support for personnel and operating.											
Restricted Funds			3,700	3,700		8,500	8,500		8,500	8,500	
Project Total			3,700	3,700		8,500	8,500		8,500	8,500	
10	GB	Board of Hairdressers and Cosmetologists - Re-instate Vacant Positions									
ABR225A0001 Provides funds for 2 full-time vacant positions.											
Restricted Funds						74,000	74,000		75,800	75,800	
Project Total						74,000	74,000		75,800	75,800	

A - General Government**Operating Budget****Boards and Commissions**

		Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
11	GB	Board of Medical Licensure - Personal Service Contract								
	ABR245A0001	Provides funds for the Executive Director contract.								
	Restricted Funds				59,200	59,200		60,200	60,200	
	Project Total				59,200	59,200		60,200	60,200	
12	GB	Board of Nursing - Reinstate Vacant Positions								
	ABR250A0001	Provides funds for 2 filled full-time positions, 3 vacant full-time positions, and 1 vacant other position.								
	Restricted Funds				294,000	294,000		294,000	294,000	
	Project Total				294,000	294,000		294,000	294,000	
13	GB	Board of Optometric Examiners - Copier								
	ABR260A0001	Provides funds for the one-time purchase of a copier for the Board office.								
	Restricted Funds				5,000	5,000				
	Project Total				5,000	5,000				
14	GB	Board of Pharmacy - Legal Services								
	ABR270A0002	Provides additional support for legal services.								
	Restricted Funds				9,000	9,000		9,000	9,000	
	Project Total				9,000	9,000		9,000	9,000	
15	GB	Board of Physical Therapy - Re-instate Vacant Position								
	ABR275A0001	Provides funds for 1 other vacant position.								
	Restricted Funds	5,500	5,500		14,500	14,500		14,500	14,500	
	Project Total	5,500	5,500		14,500	14,500		14,500	14,500	
16	GB	Real Estate Appraisers Board - Legal Services								
	ABR284A0002	Provides additional support for legal services.								
	Restricted Funds				10,000	10,000		10,000	10,000	
	Project Total				10,000	10,000		10,000	10,000	
17	GB	Board of Professional Engineers and Land Surveyors - Re-instate Vacant Position								
	ABR290A0001	Provides funds for 1 full-time vacant position.								
	Restricted Funds				38,200	38,200		39,400	39,400	
	Project Total				38,200	38,200		39,400	39,400	
18	GB	Board of Proprietary Education - Legal Services								
	ABR315A0001	Provides funds for legal services.								
	Restricted Funds				5,600	5,600		5,600	5,600	
	Project Total				5,600	5,600		5,600	5,600	

A - General Government

Operating Budget

Boards and Commissions

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
19 GB Board of Chiropractic Examiners - Legal Services								
ABR170A0002 Provides additional support for legal services.								
Restricted Funds			5,000	5,000		6,000	6,000	
Project Total			5,000	5,000		6,000	6,000	
20 GB Board of Architects - Legal Services								
ABR200A0002 Provides additional support for legal services.								
Restricted Funds			6,400	6,400		6,400	6,400	
Project Total			6,400	6,400		6,400	6,400	
21 GB Board of Examiners and Registration of Landscape Architects - Legal Services and Operating								
ABR205A0003 Provides additional support for legal services.								
Restricted Funds			1,800	1,800		1,800	1,800	
Project Total			1,800	1,800		1,800	1,800	
22 GB Board of Medical Licensure - Legal Services								
ABR245A0002 Provides additional support for legal services.								
Restricted Funds			26,800	26,800		26,800	26,800	
Project Total			26,800	26,800		26,800	26,800	
23 GB Board of Optometric Examiners - Legal Services								
ABR260A0002 Provides additional support for legal services.								
Restricted Funds			1,300	1,300		1,300	1,300	
Project Total			1,300	1,300		1,300	1,300	
24 GB Board of Physical Therapy - Board Moving Location and Legal Services								
ABR275A0002 Provides funds to support moving expenses and cost increases for legal services.								
Restricted Funds	21,600	21,600	28,300	28,300		28,300	28,300	
Project Total			28,300	28,300		28,300	28,300	
25 GB Board of Hairdressers and Cosmetologists - Legal Services								
ABR225A0003 Provides additional support for legal services.								
Restricted Funds			3,000	3,000		3,000	3,000	
Project Total			3,000	3,000		3,000	3,000	
26 EXPAN Board of Physical Therapy - Salary Adjustments								
ABR275A0003 Provides funds to support salary adjustments for Board employees.								
Restricted Funds	12,500	12,500	17,600	17,600		17,600	17,600	
Project Total			17,600	17,600		17,600	17,600	

A - General Government**Operating Budget****Boards and Commissions**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL ADDITIONAL	43,300	43,300		770,400	770,400		750,100	750,100	

VI. EXPENDITURES BY UNIT**Accountancy**

Restricted Funds	700,900	700,900		619,200	619,200		619,200	619,200	
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Certification of Alcohol and Drug Counselors

Restricted Funds	67,200	67,200		67,200	67,200		67,200	67,200	
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Architects

Restricted Funds	362,800	362,800		375,300	375,300		383,400	383,400	
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Certification for Professional Art Therapists

Restricted Funds	11,400	11,400		11,400	11,400		11,400	11,400	
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Auctioneers

Restricted Funds	412,700	412,700		442,800	442,800		428,800	428,800	
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Barbering

Restricted Funds	289,400	289,400		289,400	289,400		289,400	289,400	
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Chiropractic Examiners

Restricted Funds	218,600	218,600		241,400	241,400		247,800	247,800	
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Dentistry

Restricted Funds	641,800	641,800		641,800	641,800		641,800	641,800	
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Licensure and Certification for Dietitians and Nutritionists

Restricted Funds	77,500	77,500		69,600	69,600		69,600	69,600	
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Embalmers and Funeral Directors

Restricted Funds	355,600	355,600		340,000	340,000		340,000	340,000	
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Licensure for Professional Engineers and Land Surveyors

Restricted Funds	1,411,400	1,411,400		1,411,400	1,411,400		1,411,400	1,411,400	
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Certification of Fee-Based Pastoral Counselors

Restricted Funds	3,500	3,500		3,500	3,500		3,500	3,500	
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Registration for Professional Geologists

Restricted Funds	135,000	135,000		135,000	135,000		135,000	135,000	
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Hairdressers and Cosmetologists

Restricted Funds	1,074,100	1,074,100		1,117,400	1,117,400		1,143,000	1,143,000	
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A - General Government**Operating Budget****Boards and Commissions**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
Specialists in Hearing Instruments									
Restricted Funds	61,900	61,900		52,700	52,700		52,700	52,700	
Interpreters for the Deaf and Hard of Hearing									
Restricted Funds	31,000	31,000		31,000	31,000		31,000	31,000	
Examiners and Registration of Landscape Architects									
Restricted Funds	60,600	60,600		63,700	63,700		64,300	64,300	
Licensure of Marriage and Family Therapists									
Restricted Funds	83,200	83,200		83,200	83,200		83,200	83,200	
Licensure for Massage Therapy									
Restricted Funds	62,800	62,800		91,500	91,500		91,500	91,500	
Medical Licensure									
Restricted Funds	2,427,400	2,427,400		2,544,800	2,544,800		2,581,100	2,581,100	
Nursing									
Restricted Funds	4,805,600	4,805,600		4,929,000	4,929,000		5,023,100	5,023,100	
Licensure for Nursing Home Administrators									
Restricted Funds	61,000	61,000		47,000	47,000		47,000	47,000	
Licensure for Occupational Therapy									
Restricted Funds	86,000	86,000		86,000	86,000		86,000	86,000	
Ophthalmic Dispensers									
Restricted Funds	62,900	62,900		48,700	48,700		48,700	48,700	
Optometric Examiners									
Restricted Funds	166,400	166,400		173,200	173,200		170,400	170,400	
Pharmacy									
Restricted Funds	1,045,000	1,045,000		1,066,400	1,066,400		1,088,200	1,088,200	
Physical Therapy									
Restricted Funds	343,900	343,900		328,600	328,600		332,700	332,700	
Podiatry									
Restricted Funds	21,700	21,700		22,900	22,900		23,200	23,200	
Private Investigators									
Restricted Funds	64,200	64,200		80,000	80,000		80,000	80,000	
Licensed Professional Counselors									
Restricted Funds	91,200	91,200		126,800	126,800		126,800	126,800	

A - General Government

Operating Budget

Boards and Commissions

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
Proprietary Education									
Restricted Funds	164,300	164,300		172,800	172,800		172,800	172,800	
Examiners of Psychology									
Restricted Funds	191,100	191,100		191,100	191,100		191,100	191,100	
Real Estate Appraisers									
Restricted Funds	604,200	604,200		616,400	616,400		622,700	622,700	
Real Estate Commission									
Restricted Funds	2,666,600	2,666,600		2,541,600	2,541,600		2,574,900	2,574,900	
Respiratory Care									
Restricted Funds	181,100	181,100		181,100	181,100		181,100	181,100	
Social Work									
Restricted Funds	145,300	145,300		145,300	145,300		145,300	145,300	
Speech-Language Pathology and Audiology									
Restricted Funds	107,000	107,000		112,200	112,200		112,200	112,200	
Veterinary Examiners									
Restricted Funds	237,800	237,800		237,800	237,800		237,800	237,800	
TOTAL	19,534,100	19,534,100		19,739,200	19,739,200		19,959,300	19,959,300	

TRANSFERS TO THE GENERAL FUND

Accountancy

Agency Revenue Fund (KRS 325.250)	440,000	440,000		57,800	57,800	
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Architects

Agency Revenue Fund	100,000	100,000		54,200	54,200	
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Auctioneers

Agency Revenue Fund (KRS 330.050(6))	35,000	35,000				
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Recovery Fund (KRS 330.192)				312,200	312,200	
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Certification for Professional Art Therapists

A - General Government**Operating Budget****Boards and Commissions**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TRANSFERS TO THE GENERAL FUND									
Agency Revenue Fund (KRS 309.138)					13,600	13,600			
Certification of Fee-Based Pastoral Counselors									
Agency Revenue Fund (KRS 335.650)					1,900	1,900			
Chiropractic Examiners									
Agency Revenue Fund					95,400	95,400			
Dentistry									
Agency Revenue Fund (KRS 313.350)	128,000	128,000			435,000	435,000			
Embalmers and Funeral Directors									
Agency Revenue Fund (KRS 316.125 and KRS 316.210)					113,300	113,300			
Examiners and Registration of Landscape Architects									
Agency Revenue Fund					53,000	53,000			
Examiners of Psychology									
Agency Revenue Fund (KRS 319.131)	90,000	90,000		45,000	101,400	56,400	45,000	45,000	
Hairdressers and Cosmetologists									
Agency Revenue Fund (KRS 317A.080)	280,000	280,000		50,000	138,000	88,000	50,000	50,000	
Interpreters for the Deaf and Hard of Hearing									
Agency Revenue Fund (KRS 309.306)					54,700	54,700			
Licensed Professional Counselors									
Agency Revenue Fund (KRS 335.520)	35,000	35,000		75,000	198,300	123,300	75,000	75,000	
Licensure and Certification for Dietitians and Nutritionists									
Agency Revenue Fund (KRS 310.041(7))	1,000	1,000			44,000	44,000			
Licensure for Massage Therapy									

A - General Government

Operating Budget

Boards and Commissions

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TRANSFERS TO THE GENERAL FUND									
Agency Revenue Fund (KRS 309.356)	14,000	14,000			146,700	146,700			
Licensure for Occupational Therapy									
Agency Revenue Fund (KRS 319A.060)	3,500	3,500		80,000	98,900	18,900	80,000	80,000	
Licensure for Professional Engineers and Land Surveyors									
Agency Revenue Fund (KRS 322.420)	470,000	470,000			320,400	320,400			
Licensure of Marriage and Family Therapists									
Agency Revenue Fund (KRS 335.342)					12,200	12,200			
Medical Licensure									
Agency Revenue Fund (KRS 311.610)	670,000	670,000		150,000	249,600	99,600			
Nursing									
Agency Revenue Fund (KRS 314.161)	1,700,000	1,700,000			343,700	343,700			
Optometric Examiners									
Agency Revenue Fund (KRS 320.360)	15,000	15,000			56,900	56,900			
Pharmacy									
Agency Revenue Fund (KRS 315.195)	190,000	190,000		300,000	300,000		300,000	300,000	
Physical Therapy									
Agency Revenue Fund (KRS 327.080)					281,100	281,100			
Podiatry									
Agency Revenue Fund (KRS 311.450(3))				25,000	25,000		25,000	25,000	
Private Investigators									
Agency Revenue Fund (KRS 329A.030)					35,800	35,800			

A - General Government

Operating Budget

Boards and Commissions

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TRANSFERS TO THE GENERAL FUND									
Proprietary Education									
Agency Revenue Fund (KRS 165A.380)				30,000	142,800	112,800	30,000	30,000	
Real Estate Appraisers									
Agency Revenue Fund (KRS 324A.065)					47,100	47,100			
Real Estate Commission									
Agency Revenue Fund (KRS 324.410)	1,180,000	1,180,000							
Registration for Professional Geologists									
Agency Revenue Fund (KRS 322A.050)	50,000	50,000			126,000	126,000			
Respiratory Care									
Agency Revenue Fund (KRS 314A.215(3))	24,000	24,000			14,300	14,300			
Social Work									
Agency Revenue Fund (KRS 335.140)	83,000	83,000		80,000	101,600	21,600	80,000	80,000	
Speech-Language Pathology and Audiology									
Agency Revenue Fund (KRS 334A.120)	30,000	30,000		75,000	85,900	10,900	75,000	75,000	
Veterinary Examiners									
Agency Revenue Fund (KRS 321.320)	11,500	11,500			139,900	139,900			
TOTAL	5,550,000	5,550,000		910,000	4,200,700	3,290,700	760,000	760,000	

OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Boards and Commissions, Restricted Funds, in fiscal year 2007-2008 for the following amounts:

<u>Occupational Boards and Commissions</u>	<u>FY 2007-2008</u>	<u>FY 2008-2009</u>	<u>FY 2009-2010</u>
Accountancy	440,000		
Architects	280,000	50,000	50,000
Auctioneers	35,000		
Dentistry	128,000		
Licensure for Cert. Dieticians and Nutritionists	1,000		
Licensure for Professional Engineers and Land Surveyors	470,000		
Registration for Professional Geologists	50,000		
Hairdressers and Cosmetologists	280,000	50,000	50,000
Licensure for Massage Therapy	14,000		
Medical Licensure	670,000		
Nursing	1,700,000		
Licensure for Occupational Therapy	3,500	80,000	80,000
Optometric Examiners	15,000		
Pharmacy	190,000	300,000	300,000
Podiatry		25,000	25,000

OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

Licensure for Professional Counselors	35,000	75,000	75,000
Proprietary Education		30,000	30,000
Examiners of Psychology	90,000	45,000	45,000
Real Estate Commission	1,180,000		
Respiratory Care	24,000		
Social Work	83,000	80,000	80,000
Speech-Language Pathology and Audiology	30,000	75,000	75,000
Veterinary Examiners	11,500		

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly amends Part V, Funds Transfer, to include transfers from the Boards and Commissions, Restricted Funds, in fiscal year 2008-2009 for the following amounts:

<u>Occupational Boards and Commissions</u>	<u>FY 2008-2009</u>
Accountancy	57,800
Architects	54,200
Certification for Professional Art Therapists	13,600
Auctioneers	312,200
Chiropractic Examiners	95,400
Dentistry	435,000
Licensure for Cert. for Dieticians and Nutritionists	44,000
Embalmers and Funeral Directors	113,300
Licensure for Professional Engineers and Land Surveyors	320,400
Certification of Fee-Based Pastoral Counselors	1,900
Registration for Professional Geologists	126,000
Hairdressers and Cosmetologists	88,000
Interpreters for the Deaf and Hard of Hearing	54,700
Examiners & Registration of Landscape Architects	53,000
Licensure of Marriage and Family Therapists	12,200
Licensure for Massage Therapy	146,700

OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

Medical Licensure	99,600
Nursing	343,700
Licensure for Occupational Therapy	18,900
Optometric Examiners	56,900
Physical Therapy	281,100
Private Investigators	35,800
Licensed Professional Counselors	123,300
Proprietary Education	112,800
Examiners of Psychology	56,400
Real Estate Appraisers	47,100
Respiratory Care	14,300
Social Work	21,600
Speech-Language Pathology and Audiology	10,900
Veterinary Examiners	139,900

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A - General Government**Capital Budget****Boards and Commissions**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

II. CAPITAL PROJECTS

1 **Jefferson County - Lease**

PRJ250A5000

General Fund

Project Total

TOTAL CAPITAL

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A - General Government

Operating Budget

Kentucky River Authority

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	342,700	342,700		304,700	304,700		1,078,800	1,078,800	
Restricted Funds	2,163,500	2,163,500		4,442,500	4,442,500		4,065,100	4,065,100	
Regular Total Funds	2,506,200	2,506,200		4,747,200	4,747,200		5,143,900	5,143,900	
Use of Continuing									
TOTAL FUNDS	2,506,200	2,506,200		4,747,200	4,747,200		5,143,900	5,143,900	
II. EXPENDITURE CATEGORY									
Personnel Costs	589,800	589,800		559,000	559,000		562,000	562,000	
Operating Expenses	164,600	164,600		155,600	155,600		155,800	155,800	
Grants, Loans, Benefits	344,800	344,800		315,600	315,600		310,100	310,100	
Debt Service	525,000	525,000		3,092,000	3,092,000		3,866,000	3,866,000	
Capital Outlay	32,000	32,000							
Construction	850,000	850,000		625,000	625,000		250,000	250,000	
TOTAL EXPENDITURES	2,506,200	2,506,200		4,747,200	4,747,200		5,143,900	5,143,900	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	342,700	342,700		304,700	304,700		304,800	304,800	
Restricted Funds	2,163,500	2,163,500		3,817,500	3,817,500		3,815,100	3,815,100	
Regular Total Funds	2,506,200	2,506,200		4,122,200	4,122,200		4,119,900	4,119,900	
Use of Continuing									
TOTAL BASE LEVEL	2,506,200	2,506,200		4,122,200	4,122,200		4,119,900	4,119,900	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund							774,000	774,000	
Restricted Funds				625,000	625,000		250,000	250,000	
TOTAL ADDITIONAL				625,000	625,000		1,024,000	1,024,000	
V. ADDITIONAL BUDGET ITEMS									
1 GB	Restore Bond Funds - Dam 9								
ABR084J0004	Provides the previously vetoed General Fund debt service for \$17,500,000 in Bonds for the Kentucky River Locks and Dams Maintenance and Renovations Pool.								
General Fund							774,000	774,000	
Project Total							774,000	774,000	

A - General Government**Operating Budget****Kentucky River Authority**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2 GB	Additional Funding for Dam 10 Design and Interim Stabilization							
ABR084J0003	Provides interim stabilization of the lock and installation of a transfer valve, the preliminary design "Decision Document", and final design of Dam 10.							
Restricted Funds			625,000	625,000		250,000	250,000	
Project Total			625,000	625,000		250,000	250,000	
TOTAL ADDITIONAL			625,000	625,000		1,024,000	1,024,000	

KENTUCKY RIVER AUTHORITY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Water Withdrawal Fees: The water withdrawal fees imposed by the Kentucky River Authority shall not be subject to state and local taxes. Notwithstanding KRS 151.710(10), Tier I water withdrawal fees shall be used to support the operations of the Authority and for contractual services for water supply and quality studies."

"Debt Service: Included in the above General Fund appropriation is \$774,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

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A - General Government

Capital Budget

Kentucky River Authority

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				625,000	625,000		250,000	250,000	
Bond Funds				17,500,000	17,500,000				
TOTAL CAPITAL				18,125,000	18,125,000		250,000	250,000	
II. CAPITAL PROJECTS									
1	Kentucky River Locks and Dams Maintenance and Renovation Pool - Additional								
PRJ084J5001									
Bond Funds				17,500,000	17,500,000				
Project Total				17,500,000	17,500,000				
2	Dam 10 Design and Interim Stabilization - Additional								
PRJ084J1711									
Restricted Funds				625,000	625,000		250,000	250,000	
Project Total				625,000	625,000		250,000	250,000	
TOTAL CAPITAL				18,125,000	18,125,000		250,000	250,000	

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A - General Government

Operating Budget

School Facilities Construction Commission

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	109,346,300	109,346,300		112,154,400	109,623,000	(2,531,400)	119,441,200	111,003,200	(8,438,000)
Regular Total Funds	109,346,300	109,346,300		112,154,400	109,623,000	(2,531,400)	119,441,200	111,003,200	(8,438,000)
Use of Continuing									
TOTAL FUNDS	109,346,300	109,346,300		112,154,400	109,623,000	(2,531,400)	119,441,200	111,003,200	(8,438,000)
II. EXPENDITURE CATEGORY									
Personnel Costs	242,500	242,500		245,000	245,000		253,200	253,200	
Operating Expenses	24,000	24,000		24,000	24,000		24,000	24,000	
Grants, Loans, Benefits	5,000,000	5,000,000							
Debt Service	104,079,800	104,079,800		111,885,400	109,354,000	(2,531,400)	119,164,000	110,726,000	(8,438,000)
TOTAL EXPENDITURES	109,346,300	109,346,300		112,154,400	109,623,000	(2,531,400)	119,441,200	111,003,200	(8,438,000)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	109,346,300	109,346,300		109,623,200	107,092,000	(2,531,200)	111,003,700	102,566,200	(8,437,500)
Regular Total Funds	109,346,300	109,346,300		109,623,200	107,092,000	(2,531,200)	111,003,700	102,566,200	(8,437,500)
Use of Continuing									
TOTAL BASE LEVEL	109,346,300	109,346,300		109,623,200	107,092,000	(2,531,200)	111,003,700	102,566,200	(8,437,500)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				2,531,200	2,531,000	(200)	8,437,500	8,437,000	(500)
TOTAL ADDITIONAL				2,531,200	2,531,000	(200)	8,437,500	8,437,000	(500)
V. ADDITIONAL BUDGET ITEMS									
1 GB	Regular Offers of Assistance - Debt Service								
ABR345A0003	Provides funds for debt service on \$100 M in bonds for the 2006-2008 Offers of Assistance to school districts.								
General Fund				2,531,200	2,531,000	(200)	8,437,500	8,437,000	(500)
Project Total				2,531,200	2,531,000	(200)	8,437,500	8,437,000	(500)
TOTAL ADDITIONAL				2,531,200	2,531,000	(200)	8,437,500	8,437,000	(500)

SCHOOL FACILITIES CONSTRUCTION COMMISSION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is \$2,531,200 in fiscal year 2008-2009 and \$8,437,500 in fiscal year 2009-2010 for new debt service to support bonds as set forth in Part II, Capital Projects Budget, of this Act."

"Growth Nickel Levy: The Facilities Support Program of Kentucky is fully funded in the 2008-2010 fiscal biennium. Notwithstanding KRS 157.621(3), local school districts may exercise authority expressed in KRS 157.621(1) and (2)."

"School Facility Revenue: A local board of education may commit an equivalent tax rate not to exceed five cents in addition to the taxes levied in KRS 157.440(1)(b). Receipts from the levy shall be committed to debt service, new facilities, or major renovations of existing school facilities. The tax rate levied by the local board of education under this provision shall be made no later than October 1 of each odd-numbered year and shall not be equalized with state funding. The levy shall be subject to recall."

"Urgent Need School Trust Fund: The Urgent Need School Trust Fund is established in the Finance and Administration Cabinet for the purpose of assisting school districts that have urgent and critical construction needs. The Urgent Need School Trust Fund shall be administered by the School Facilities Construction Commission. The fund may receive state appropriations, contributions, and grants from any source which shall be credited to the trust fund and invested until needed. All interest earned on the fund shall be retained in the trust fund. Notwithstanding KRS 45.229, moneys in the trust fund shall not lapse but shall carry forward at the end of each fiscal year."

SCHOOL FACILITIES CONSTRUCTION COMMISSION

"Additional Offers of Assistance: Notwithstanding KRS 157.611 to 157.640, 157.650, 157.655, 157.660, or 157.665, the School Facilities Construction Commission is authorized to make an additional \$100,000,000 in offers of assistance during the 2008-2010 biennium in anticipation of debt service availability during the 2010-2012 biennium. No bonded indebtedness based on the above amount is to be incurred during the 2008-2010 biennium."

"Use of Local District Capital Outlay Funds: Notwithstanding KRS 157.420(4) and (6), a local district may submit a request to the Commissioner of Education to use capital outlay funds for maintenance expenditures or for the purchase of property insurance in fiscal year 2008-2009 and fiscal year 2009-2010 without forfeiture of the district's participation in the School Facilities Construction Commission Program."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly reduces General Fund support totaling \$2,531,400 in fiscal year 2008-2009 and \$8,438,000 in fiscal year 2009-2010 to correct debt service amounts.

The General Assembly amends the Part I, Operating Budget, to adjust debt service amounts due to rounding, in the language provision relating to "**Debt Service**". The amounts were reduced from \$2,531,200 to \$2,531,000 in fiscal year 2008-2009 and from \$8,437,500 to \$8,437,000 in fiscal year 2009-2010.

The General Assembly amends the Part I, Operating Budget, relating to the provision "**Use of Local District Capital Outlay Funds**" to add a condition that only districts with a general fund carry forward of less than 2 percent may use Capital Outlay funds for property insurance and maintenance.

The General Assembly amends the Part I, Operating Budget, language provision relating to "**Additional Offers of Assistance**" by increasing the amount of offers of assistance the School Facilities Construction Commission is authorized to make from \$100,000,000 to \$150,000,000.

The General Assembly adds the following Part I, Operating Budget, language provisions:

"2006-2008 Offers of Assistance and Additional Offers of Assistance: Notwithstanding KRS 157.420(4), 157.620, and 157.622,

SCHOOL FACILITIES CONSTRUCTION COMMISSION

the \$5,000,000 grant from the 2006-2008 appropriation in 2006 Ky. Acts ch. 252, Part II, to the School Facilities Construction Commission awarded to the Graves County School District to address the facility needs at Fancy Farm Elementary shall be used to construct a new elementary school in the community of Fancy Farm with a student capacity no greater than 300 students, consistent with the Graves County District Facility Plan in effect at the time the grant was awarded, notwithstanding any actions of the Kentucky Board of Education, the Graves County Board of Education, or the School Facilities Construction Commission to the contrary. The original award of \$5,000,000 shall not be prorated and the full amount of the award shall be expended on this project. The time limit established by the School Facilities Construction Commission for the utilization by a school district receiving a grant of funds based on the procedures developed by the Urgent Need School Trust Fund Advisory Committee, established in 2006 Ky. Acts ch. 252, Part I, A., 29., (4), shall be extended by the length of time the recipient school district was prevented or delayed from utilizing the grant during the pendency of a legal action which would affect the use of the grant."

"Prior Offers of Assistance: Notwithstanding KRS 157.420(4), 157.620, and 157.622, a district that has received an offer of assistance relating to a Category 5 school shall not be required to use the offer of assistance for any specific project identified at the time of the original award, except as proscribed in subsection (7) of this section, but may use the offer of assistance on any project on the district's approved facility plan that relates to a Category 5 school."

The Governor of the Commonwealth vetoes, in part, the following:

Veto #4 of HB 406 - *"I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:*

Page 30, line 15, after the word "Program", delete ","

Page 30, line 16 beginning with the word "if" and ending with the word "percent"

I am vetoing this part because in these challenging economic times, school districts will need maximum flexibility to implement their respective operating and capital budgets.

The vetoed part restricts the ability of local school districts to use capital outlay funds for maintenance expenditures or the purchase of property insurance without forfeiting eligibility for offers of assistance from the School Facilities Construction Commission. Only districts with prior year general fund balances of less than two percent would retain such flexibility. The General Assembly has permitted local school districts to use capital outlay funds for maintenance or property insurance upon approval of the Commissioner

SCHOOL FACILITIES CONSTRUCTION COMMISSION

of Education since 2003. School districts' flexible focus funds have been reduced and they will be mandated to provide a 1 percent salary increase to their employees. Moreover, there have been no reports of abuse of this policy or problems with any local school district's financial standing due to the existing policy. The Commissioner of the Department of Education has the authority to decide whether a district should be permitted this flexibility and it is my judgment that he is the most appropriate person to make this decision."

ADDITIONAL ACTIONS OF THE GENERAL ASSEMBLY

House Bill 514, Section (1), amends House Bill 406/EN as follows:

"...On page 29, delete lines 14 through 23 in their entirety;

On page 29, line 24, delete '(4)' and insert '(2)';

On page 30, line 5, delete '(5)' and insert '(3)';

On page 30, line 11, delete '(6)' and insert '(4)';

On page 30, delete lines 11 through 16 and insert the following in lieu thereof:

'(6) Use of Local District Capital Outlay Funds: (a) 1. Notwithstanding KRS 157.420(4) and (6), a local district may submit a request to the Commissioner of Education to use capital outlay funds for maintenance expenditures or for the purchase of property insurance in fiscal year 2008-2009 and fiscal year 2009-2010 without forfeiture of the district's participation in the School Facilities Construction Commission Program. Maintenance requests may include other priorities that are not considered major renovations, such as repair, renovation, or system upgrades that are necessary to maintain the integrity of an existing school facility; and/or

2. A district may submit a request to the Commissioner of Education to use funds from the per pupil capital outlay allotment to purchase land for a new school or to modify an existing school if the project is included on the district facility plan for completion within eight years. The Commissioner may grant or deny the district's request at his or her discretion; and/or

3. A district which has experienced an increase in adjusted average daily attendance, as defined by administrative regulation, of 20 percent or more over a five year period may submit a request to the Commissioner of Education to use capital outlay funds for the operation of a new school for the first two years following its opening. The Commissioner may grant or deny the district's request at his or her discretion; and

(b) Notwithstanding KRS 157.615(1), capital outlay funds used for expenditures, in either fiscal year 2008-2009 or in fiscal year 2009-2010, other than those designated in KRS 157.420(4) and (5) shall be included in determining the amount of local revenue available for purposes of calculating unmet need for participation in the School Facilities Construction Commission funding. The capital outlay funds used for purposes under this paragraph shall continue to be included in the local revenue available from fiscal year to fiscal year.'; and

On page 30, line 17, delete '(7)' and insert '(5)';

SCHOOL FACILITIES CONSTRUCTION COMMISSION

On page 31, line 7, delete '(8)' and insert '(6);...".

A - General Government**Capital Budget****School Facilities Construction Commission**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				100,000,000	100,000,000				
TOTAL CAPITAL				100,000,000	100,000,000				
II. CAPITAL PROJECTS									
1	Offers of Assistance - 2006-2008								
PRJ345A5003									
Bond Funds				100,000,000	100,000,000				
Project Total				100,000,000	100,000,000				
2	Urgent Needs School Trust Fund Reauthorization (\$11,800,000 Bond Funds)								
PRJ345A5005									
Bond Funds									
Project Total									
3	School Facilities Construction Commission Reauthorization (\$130,800,000 Bond Funds)								
PRJ345A5004									
Bond Funds									
Project Total									
4	Category 5 School Buildings Reauthorization (\$12,000,000 Bond Funds)								
PRJ345A5006									
Bond Funds									
Project Total									
TOTAL CAPITAL				100,000,000	100,000,000				

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A - General Government**Operating Budget****Teachers' Retirement System**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	183,323,100	183,323,100		177,360,200	177,360,200		201,252,600	201,252,600	
Restricted Funds	9,543,500	9,543,500		10,102,600	10,102,600		10,851,000	10,851,000	
Regular Total Funds	192,866,600	192,866,600		187,462,800	187,462,800		212,103,600	212,103,600	
Use of Continuing									
TOTAL FUNDS	192,866,600	192,866,600		187,462,800	187,462,800		212,103,600	212,103,600	
II. EXPENDITURE CATEGORY									
Personnel Costs	7,912,800	7,912,800		8,321,000	8,321,000		8,758,800	8,758,800	
Operating Expenses	1,494,700	1,494,700		1,638,700	1,638,700		1,942,200	1,942,200	
Grants, Loans, Benefits	183,323,100	183,323,100		177,360,200	177,360,200		201,252,600	201,252,600	
Capital Outlay	136,000	136,000		142,900	142,900		150,000	150,000	
TOTAL EXPENDITURES	192,866,600	192,866,600		187,462,800	187,462,800		212,103,600	212,103,600	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	183,323,100	183,323,100		177,360,200	177,360,200		181,818,100	181,818,100	
Restricted Funds	9,543,500	9,543,500		10,102,600	10,102,600		10,851,000	10,851,000	
Regular Total Funds	192,866,600	192,866,600		187,462,800	187,462,800		192,669,100	192,669,100	
Use of Continuing									
TOTAL BASE LEVEL	192,866,600	192,866,600		187,462,800	187,462,800		192,669,100	192,669,100	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund							19,434,500	19,434,500	
TOTAL ADDITIONAL							19,434,500	19,434,500	
V. ADDITIONAL BUDGET ITEMS									
1	CONT	Amortization Payment - Medical Insurance Fund							
ABR560R0008	Provides funds for an amortization payment (based on a ten year repayment at the system's actuarial rate of return) to support a transfer of \$125 M from the State Accumulation Fund to the Medical Insurance Fund.								
General Fund							18,210,700	18,210,700	
Project Total							18,210,700	18,210,700	
2	CONT	Amortization Payment - Medical Insurance Fund (Dependent Subsidy)							
ABR560R0009	Provides funds for an amortization payment (based on a ten year repayment at the system's actuarial rate of return) to support a transfer of \$8.4 M from the State Accumulation Fund to the Medical Insurance Fund for the Dependent Subsidy.								
General Fund							1,223,800	1,223,800	
Project Total							1,223,800	1,223,800	

A - General Government**Operating Budget****Teachers' Retirement System**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL ADDITIONAL						19,434,500	19,434,500	

TEACHERS' RETIREMENT SYSTEM

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"State Retirement Obligations: Notwithstanding KRS 161.550, General Fund moneys are appropriated to comply with the obligations of the state under the Teachers' Retirement System statutes as provided in KRS 161.220 to 161.716."

"Administrative Costs: In accordance with KRS 161.420, in each fiscal year an amount not greater than four percent of the receipts of the state accumulation fund shall be set aside into the expense fund or expended for the administration of the retirement system. No General Fund moneys are provided in fiscal year 2008-2009 or fiscal year 2009-2010 for the cost of administration."

"Amortization of Sick Leave: Included in the above General Fund appropriation is \$5,684,000 in fiscal year 2008-2009 and \$11,965,300 in fiscal year 2009-2010 to provide the cost of amortizing the requirements of KRS 161.155, relating to sick leave, for members retiring during the 2008-2010 fiscal biennium."

"State Medical Insurance Fund Stabilization Contribution: Notwithstanding KRS 161.420 and 161.550, a portion of the state employer contribution in a sufficient amount shall be allocated to the Teachers' Retirement System Medical Insurance Fund instead of the State Accumulation Fund. Also included in the above General Fund appropriation is \$18,210,700 in fiscal year 2009-2010 to amortize the cost of the State Medical Insurance Fund Stabilization Contribution with the remainder to be amortized under the schedule set forth in KRS 161.553."

TEACHERS' RETIREMENT SYSTEM

"Dependent Subsidy for Retirees under age 65: Notwithstanding KRS 161.675(4)(a), from July 1, 2008, through June 30, 2010, for all retirees under the age of 65 who participate in the Kentucky Group Health Insurance Program through the Kentucky Teachers' Retirement System, the Kentucky Teachers' Retirement System shall pay the same dependent subsidy that Executive Branch agencies pay for their active employees who have similar coverage. The dependent subsidy is not subject to KRS 161.714."

"Highly Skilled Educators' Retirement Benefits: Salary supplements received by persons selected as highly skilled educators on or after July 1, 2000, shall not be included in the total salary compensation for any retirement benefits to which the employee may be entitled."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly adds a Part I, Operating Budget, language provision as follows:

"Supplemental Health Insurance Funding: Notwithstanding KRS 161.675(4)(a) and (b), included in the above General Fund appropriation is \$50,000 in each fiscal year to enable the retirement system to provide a subsidy from July 1, 2008, through June 30, 2010, for those retired state members over age 65 that insure their spouses under age 65 through the state health insurance plan. The amount of the subsidy for those over age 65 shall not exceed the amount of the subsidy for members under age 65 that choose couple, family, or parent plus coverage. The spousal subsidy is not subject to KRS 161.714."

A - General Government**Operating Budget****Judgments**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	600,000	600,000							
Regular Total Funds	600,000	600,000							
Use of Continuing	35,100	35,100							
TOTAL FUNDS	635,100	635,100							
II. EXPENDITURE CATEGORY									
Operating Expenses	635,100	635,100							
TOTAL EXPENDITURES	635,100	635,100							
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	600,000	600,000							
Regular Total Funds	600,000	600,000							
Use of Continuing	35,100	35,100							
TOTAL BASE LEVEL	635,100	635,100							

JUDGMENTS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Payment of Judgments and Carry Forward of General Fund Appropriation Balance: The above appropriation is for the payment of judgments as may be rendered against the Commonwealth by courts and orders of the State Personnel Board and, where applicable, shall be subject to the provisions of KRS Chapter 45, and for the payment of medical malpractice judgments against the University of Kentucky and the University of Louisville in accordance with KRS 164.892 and 164.941. Notwithstanding KRS 45.229, any remaining appropriation in the Judgments account at the end of fiscal year 2007-2008 or fiscal year 2008-2009 shall not lapse but shall be carried forward."

"Funds required to pay the costs of items included within the Judgments are appropriated, and any required expenditure over the above amounts is to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

A - General Government

Operating Budget

Appropriations Not Otherwise Classified (ANOC)

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	12,267,500	12,267,500		12,267,500	6,267,500	(6,000,000)	12,267,500	6,267,500	(6,000,000)
Regular Total Funds	12,267,500	12,267,500		12,267,500	6,267,500	(6,000,000)	12,267,500	6,267,500	(6,000,000)
Use of Continuing									
TOTAL FUNDS	12,267,500	12,267,500		12,267,500	6,267,500	(6,000,000)	12,267,500	6,267,500	(6,000,000)
II. EXPENDITURE CATEGORY									
Personnel Costs	285,000	285,000		285,000	285,000		285,000	285,000	
Operating Expenses	11,980,000	11,980,000		11,980,000	5,980,000	(6,000,000)	11,980,000	5,980,000	(6,000,000)
Grants, Loans, Benefits	2,500	2,500		2,500	2,500		2,500	2,500	
TOTAL EXPENDITURES	12,267,500	12,267,500		12,267,500	6,267,500	(6,000,000)	12,267,500	6,267,500	(6,000,000)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	12,267,500	12,267,500		12,267,500	6,267,500	(6,000,000)	12,267,500	6,267,500	(6,000,000)
Regular Total Funds	12,267,500	12,267,500		12,267,500	6,267,500	(6,000,000)	12,267,500	6,267,500	(6,000,000)
Use of Continuing									
TOTAL BASE LEVEL	12,267,500	12,267,500		12,267,500	6,267,500	(6,000,000)	12,267,500	6,267,500	(6,000,000)

APPROPRIATIONS NOT OTHERWISE CLASSIFIED

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Funding Sources for Appropriations Not Otherwise Classified: Funds required to pay the costs of items included within the Appropriations Not Otherwise Classified are appropriated. Any required expenditure over the above amounts is to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any available balance in either the Judgments budget unit appropriation or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act."

"The above appropriation is for the payment of Attorney General Expense, Board of Claims Award, Guardian Ad Litem, Prior Year Claims, Unredeemed Checks Refunded, Involuntary Commitments - ICF/MR, Frankfort in Lieu of Taxes, Frankfort Cemetery, Police Officer, Firefighter, and National Guard and Reserve Survivor Benefits, Medical Malpractice Liability Insurance Reimbursement, and Blanket Employee Bonds."

"Repayment of Awards or Judgments: Funds are appropriated from the General Fund for the repayment of awards or judgments made by the Board of Claims against departments, boards, commissions, and other agencies maintained by appropriations out of the General Fund. However, awards under \$5,000 shall be paid from funds available for the operations of the agency."

"Guardian Ad Litem Fees: Included in the above appropriation is funding for fees to be paid to each guardian ad litem appointed by the court pursuant to KRS 311.732. The fee shall be fixed by the court and shall not exceed \$500."

"Reissuance of Uncashed Checks: Checks written by the State Treasurer and not cashed within the statutory period may be presented to the State Treasurer for reissuance in accordance with KRS 41.370."

"Police Officer, Firefighter, and Active Duty National Guard and Reserve Survivor Benefits: Funds are appropriated for payment of benefits for state and local police officers and firefighters in accordance with KRS 61.315 and 95A.070."

APPROPRIATIONS NOT OTHERWISE CLASSIFIED
GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly reduces General Fund support totaling \$6,000,000 in each fiscal year.

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B - Commerce Cabinet

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B - Commerce Cabinet

Operating Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	64,739,400	64,739,400		51,908,900	52,892,900	984,000	53,375,800	53,015,800	(360,000)
Restricted Funds	145,929,400	145,929,400		143,635,200	148,286,100	4,650,900	145,267,000	149,695,000	4,428,000
Federal Funds	12,298,400	12,298,400		13,325,700	14,977,600	1,651,900	13,439,300	15,020,100	1,580,800
Road Fund				490,000	350,000	(140,000)	495,000	350,000	(145,000)
Regular Total Funds	222,967,200	222,967,200		209,359,800	216,506,600	7,146,800	212,577,100	218,080,900	5,503,800
Use of Continuing									
TOTAL FUNDS	222,967,200	222,967,200		209,359,800	216,506,600	7,146,800	212,577,100	218,080,900	5,503,800
II. EXPENDITURE CATEGORY									
Personnel Costs	133,068,100	133,068,100		132,858,300	136,533,900	3,675,600	135,297,900	138,676,400	3,378,500
Operating Expenses	61,766,100	61,766,100		58,734,300	60,450,000	1,715,700	58,469,700	60,275,300	1,805,600
Grants, Loans, Benefits	16,655,300	16,655,300		12,514,500	13,183,100	668,600	12,314,800	12,033,400	(281,400)
Debt Service	10,649,400	10,649,400		4,424,400	4,424,400		5,666,400	5,272,400	(394,000)
Capital Outlay	828,300	828,300		828,300	1,915,200	1,086,900	828,300	1,823,400	995,100
TOTAL EXPENDITURES	222,967,200	222,967,200		209,359,800	216,506,600	7,146,800	212,577,100	218,080,900	5,503,800
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	59,739,400	59,739,400		51,908,900	51,908,900		52,133,800	52,133,800	
Restricted Funds	145,735,500	145,735,500		143,635,200	143,235,200	(400,000)	145,267,000	144,867,000	(400,000)
Federal Funds	12,298,400	12,298,400		13,325,700	13,325,700		13,439,300	13,439,300	
Regular Total Funds	217,773,300	217,773,300		208,869,800	208,469,800	(400,000)	210,840,100	210,440,100	(400,000)
Use of Continuing									
TOTAL BASE LEVEL	217,773,300	217,773,300		208,869,800	208,469,800	(400,000)	210,840,100	210,440,100	(400,000)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund	5,000,000	5,000,000			984,000	984,000	1,242,000	882,000	(360,000)
Restricted Funds	193,900	193,900			5,050,900	5,050,900		4,828,000	4,828,000
Federal Funds					1,651,900	1,651,900		1,580,800	1,580,800
Road Fund				490,000	350,000	(140,000)	495,000	350,000	(145,000)
TOTAL ADDITIONAL	5,193,900	5,193,900		490,000	8,036,800	7,546,800	1,737,000	7,640,800	5,903,800

B - Commerce Cabinet

Capital Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				6,600,000	7,600,000	1,000,000	6,600,000	7,600,000	1,000,000
Federal Funds				500,000	500,000		500,000	500,000	
Bond Funds				24,000,000	14,954,000	(9,046,000)			
Investment Income				2,735,000	735,000	(2,000,000)	4,735,000	2,735,000	(2,000,000)
TOTAL CAPITAL				33,835,000	23,789,000	(10,046,000)	11,835,000	10,835,000	(1,000,000)

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY**COMMERCE CABINET OPERATING BUDGET**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Secretary	4,086,100	4,086,100		3,810,800	4,794,800	984,000	3,909,400	3,943,400	34,000
Artisans Center	2,465,700	2,465,700		2,492,800	2,492,800		2,503,900	2,503,900	
Tourism	14,628,300	14,628,300		14,478,900	14,078,900	(400,000)	14,401,700	14,001,700	(400,000)
Parks	93,266,700	93,266,700		87,003,500	87,003,500		87,862,500	87,513,500	(349,000)
Horse Park Commission	11,930,900	11,930,900		8,648,300	8,648,300		8,771,100	8,771,100	
State Fair Board	39,347,700	39,347,700		38,804,400	38,804,400		39,526,000	39,526,000	
Fish and Wildlife Resources	37,875,800	37,875,800		38,185,000	44,887,800	6,702,800	39,571,200	45,538,000	5,966,800
Historical Society	9,227,500	9,227,500		7,911,200	7,911,200		8,061,700	8,061,700	
Arts Council	5,821,300	5,821,300		4,791,500	4,791,500		4,752,200	4,752,200	
Heritage Council	3,052,800	3,052,800		2,120,700	1,980,700	(140,000)	2,104,700	1,959,700	(145,000)
Kentucky Center for the Arts	1,264,400	1,264,400		1,112,700	1,112,700		1,112,700	1,509,700	397,000
Regular Appropriation	222,967,200	222,967,200		209,359,800	216,506,600	7,146,800	212,577,100	218,080,900	5,503,800

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

COMMERCE CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
GENERAL FUND									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Secretary	3,063,800	3,063,800		2,793,700	3,777,700	984,000	2,862,700	2,896,700	34,000
Artisans Center	191,100	191,100		358,200	358,200		358,200	358,200	
Tourism	4,978,100	4,978,100		4,368,400	4,368,400		4,368,400	4,368,400	
Parks	36,937,100	36,937,100		30,045,900	30,045,900		30,664,900	30,315,900	(349,000)
Horse Park Commission	5,044,700	5,044,700		1,448,200	1,448,200		1,448,200	1,448,200	
State Fair Board	307,800	307,800					181,000	181,000	
Fish and Wildlife Resources							442,000		(442,000)
Historical Society	7,915,700	7,915,700		7,154,200	7,154,200		7,154,200	7,154,200	
Arts Council	4,128,600	4,128,600		3,719,500	3,719,500		3,831,400	3,831,400	
Heritage Council	908,100	908,100		908,100	908,100		952,100	952,100	
Kentucky Center for the Arts	1,264,400	1,264,400		1,112,700	1,112,700		1,112,700	1,509,700	397,000
Regular Appropriation	64,739,400	64,739,400		51,908,900	52,892,900	984,000	53,375,800	53,015,800	(360,000)

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

COMMERCE CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
RESTRICTED FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Secretary	1,022,300	1,022,300		1,017,100	1,017,100		1,046,700	1,046,700	
Artisans Center	2,274,600	2,274,600		1,784,600	1,784,600		1,795,700	1,795,700	
Tourism	9,650,200	9,650,200		10,110,500	9,710,500	(400,000)	10,033,300	9,633,300	(400,000)
Parks	56,329,600	56,329,600		56,957,600	56,957,600		57,197,600	57,197,600	
Horse Park Commission	6,886,200	6,886,200		7,200,100	7,200,100		7,322,900	7,322,900	
State Fair Board	39,039,900	39,039,900		38,804,400	38,804,400		39,345,000	39,345,000	
Fish and Wildlife Resources	27,604,300	27,604,300		26,350,900	31,401,800	5,050,900	27,147,200	31,975,200	4,828,000
Historical Society	795,000	795,000		757,000	757,000		907,500	907,500	
Arts Council	952,700	952,700		332,700	332,700		215,800	215,800	
Heritage Council	1,374,600	1,374,600		320,300	320,300		255,300	255,300	
Regular Appropriation	145,929,400	145,929,400		143,635,200	148,286,100	4,650,900	145,267,000	149,695,000	4,428,000

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

COMMERCE CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
FEDERAL FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Fish and Wildlife Resources	10,271,500	10,271,500		11,834,100	13,486,000	1,651,900	11,982,000	13,562,800	1,580,800
Historical Society	516,800	516,800							
Arts Council	740,000	740,000		739,300	739,300		705,000	705,000	
Heritage Council	770,100	770,100		752,300	752,300		752,300	752,300	
Regular Appropriation	12,298,400	12,298,400		13,325,700	14,977,600	1,651,900	13,439,300	15,020,100	1,580,800

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

COMMERCE CABINET OPERATING BUDGET

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
ROAD FUND								
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT								
Artisans Center			350,000	350,000		350,000	350,000	
Heritage Council			140,000		(140,000)	145,000		(145,000)
Regular Appropriation			490,000	350,000	(140,000)	495,000	350,000	(145,000)

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B - Commerce Cabinet**Operating Budget****Secretary**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	3,063,800	3,063,800		2,793,700	3,777,700	984,000	2,862,700	2,896,700	34,000
Restricted Funds	1,022,300	1,022,300		1,017,100	1,017,100		1,046,700	1,046,700	
Regular Total Funds	4,086,100	4,086,100		3,810,800	4,794,800	984,000	3,909,400	3,943,400	34,000
Use of Continuing									
TOTAL FUNDS	4,086,100	4,086,100		3,810,800	4,794,800	984,000	3,909,400	3,943,400	34,000
II. EXPENDITURE CATEGORY									
Personnel Costs	2,915,700	2,915,700		3,011,900	3,011,900		3,110,500	3,110,500	
Operating Expenses	612,000	612,000		739,900	739,900		735,600	735,600	
Grants, Loans, Benefits	552,400	552,400		53,000	1,037,000	984,000	57,300	91,300	34,000
Capital Outlay	6,000	6,000		6,000	6,000		6,000	6,000	
TOTAL EXPENDITURES	4,086,100	4,086,100		3,810,800	4,794,800	984,000	3,909,400	3,943,400	34,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	3,063,800	3,063,800		2,793,700	2,793,700		2,862,700	2,862,700	
Restricted Funds	1,022,300	1,022,300		1,017,100	1,017,100		1,046,700	1,046,700	
Regular Total Funds	4,086,100	4,086,100		3,810,800	3,810,800		3,909,400	3,909,400	
Use of Continuing									
TOTAL BASE LEVEL	4,086,100	4,086,100		3,810,800	3,810,800		3,909,400	3,909,400	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					984,000	984,000		34,000	34,000
TOTAL ADDITIONAL					984,000	984,000		34,000	34,000
V. ADDITIONAL BUDGET ITEMS									
1 CONT Outdoor Drama Grants									
ABR850X0001 Provides funds to support outdoor drama grants.									
General Fund					34,000	34,000		34,000	34,000
Project Total					34,000	34,000		34,000	34,000
2 NEW 2008 Ryder Cup									
ABR850X0002 Provides funds to support the 2008 Ryder Cup.									
General Fund					950,000	950,000			
Project Total					950,000	950,000			

B - Commerce Cabinet**Operating Budget****Secretary**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL ADDITIONAL					984,000	984,000		34,000	34,000

SECRETARY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly adds Part I, language provisions as follows:

"Outdoor Drama Grants: Included in the above General Fund appropriation is \$405,000 in each fiscal year for the purpose of supporting the following grants: Someday Outdoor Drama, \$20,000 in each fiscal year; Stephen Foster, \$81,000 in each fiscal year; Pioneer School of Drama, \$28,500 in each fiscal year; Music Theater of Louisville, \$9,000 in each fiscal year; Pine Knob Theater, \$29,500 in each fiscal year; Kincaid Regional Theater, \$27,500 in each fiscal year; Twilight Cabaret, \$9,000 in each fiscal year; Horse Cave Theater, \$60,000 in each fiscal year; Jenny Wiley, \$39,500 in each fiscal year; Indian Fort Drama of Berea, \$25,000 in each fiscal year; Fort Harrod Drama Productions, \$41,000 in each fiscal year; Greenbo Lake State Resort Park, \$10,000 in each fiscal year; and Russell County Ruscotown Players Production, \$25,000 in each fiscal year."

"2008 Ryder Cup: Included in the above General Fund appropriation is \$950,000 in fiscal year 2008-2009 to support PGA security requirements in the amount of \$250,000 and PGA fees in the amount of \$700,000 pursuant to the 2008 Ryder Cup Trade Agreement."

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B - Commerce Cabinet**Operating Budget****Artisans Center**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	191,100	191,100		358,200	358,200		358,200	358,200	
Restricted Funds	2,274,600	2,274,600		1,784,600	1,784,600		1,795,700	1,795,700	
Road Fund				350,000	350,000		350,000	350,000	
Regular Total Funds	2,465,700	2,465,700		2,492,800	2,492,800		2,503,900	2,503,900	
Use of Continuing									
TOTAL FUNDS	2,465,700	2,465,700		2,492,800	2,492,800		2,503,900	2,503,900	
II. EXPENDITURE CATEGORY									
Personnel Costs	1,302,300	1,302,300		1,302,300	1,302,300		1,313,400	1,313,400	
Operating Expenses	1,163,400	1,163,400		1,190,500	1,190,500		1,190,500	1,190,500	
TOTAL EXPENDITURES	2,465,700	2,465,700		2,492,800	2,492,800		2,503,900	2,503,900	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	191,100	191,100		358,200	358,200		358,200	358,200	
Restricted Funds	2,274,600	2,274,600		1,784,600	1,784,600		1,795,700	1,795,700	
Regular Total Funds	2,465,700	2,465,700		2,142,800	2,142,800		2,153,900	2,153,900	
Use of Continuing									
TOTAL BASE LEVEL	2,465,700	2,465,700		2,142,800	2,142,800		2,153,900	2,153,900	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Road Fund				350,000	350,000		350,000	350,000	
TOTAL ADDITIONAL				350,000	350,000		350,000	350,000	
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Artisan Center - Operations Support								
ABR852F0006	Provides Road Funds to support operations as a Travel Center.								
Road Fund				350,000	350,000		350,000	350,000	
Project Total				350,000	350,000		350,000	350,000	
TOTAL ADDITIONAL				350,000	350,000		350,000	350,000	

ARTISANS CENTER

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

B - Commerce Cabinet**Operating Budget****Tourism**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	4,978,100	4,978,100		4,368,400	4,368,400		4,368,400	4,368,400	
Restricted Funds	9,650,200	9,650,200		10,110,500	9,710,500	(400,000)	10,033,300	9,633,300	(400,000)
Regular Total Funds	14,628,300	14,628,300		14,478,900	14,078,900	(400,000)	14,401,700	14,001,700	(400,000)
Use of Continuing									
TOTAL FUNDS	14,628,300	14,628,300		14,478,900	14,078,900	(400,000)	14,401,700	14,001,700	(400,000)

II. EXPENDITURE CATEGORY

Personnel Costs	7,125,700	7,125,700		7,334,900	7,334,900		7,442,400	7,442,400	
Operating Expenses	1,433,100	1,433,100		1,012,500	1,012,500		827,800	827,800	
Grants, Loans, Benefits	6,069,500	6,069,500		6,131,500	5,731,500	(400,000)	6,131,500	5,731,500	(400,000)
TOTAL EXPENDITURES	14,628,300	14,628,300		14,478,900	14,078,900	(400,000)	14,401,700	14,001,700	(400,000)

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	4,978,100	4,978,100		4,368,400	4,368,400		4,368,400	4,368,400	
Restricted Funds	9,611,000	9,611,000		10,110,500	9,710,500	(400,000)	10,033,300	9,633,300	(400,000)
Regular Total Funds	14,589,100	14,589,100		14,478,900	14,078,900	(400,000)	14,401,700	14,001,700	(400,000)
Use of Continuing									
TOTAL BASE LEVEL	14,589,100	14,589,100		14,478,900	14,078,900	(400,000)	14,401,700	14,001,700	(400,000)

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

Restricted Funds	39,200	39,200	
TOTAL ADDITIONAL	39,200	39,200	

V. ADDITIONAL BUDGET ITEMS**1 CONT Tourism Current Year Funding**

ABR860F0011 Provides funds to support current year operations.

Restricted Funds	39,200	39,200	
Project Total	39,200	39,200	

TOTAL ADDITIONAL	39,200	39,200	
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TRANSFERS TO THE GENERAL FUND**Tourism**

Agency Revenue Fund	1,086,600	1,086,600	
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B - Commerce Cabinet**Operating Budget**

Tourism	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TRANSFERS TO THE GENERAL FUND									
Agency Revenue Fund (KRS 142.406(2)(3))	1,000,000	1,000,000							
TOTAL	2,086,600	2,086,600							

TOURISM

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Operations and Support Services, Restricted Funds of \$2,086,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Tourism Marketing and Development: Included in the above Restricted Funds appropriation is \$1,000,000 in fiscal year 2008-2009 and \$1,000,000 in fiscal year 2009-2010 for Tourism Marketing and Development on behalf of the coal-producing counties. Fees for professional artists and entertainers performing on the Kentucky Music Trail may be paid from the Tourism Marketing Program."

"Bluegrass State Games: Included in the above General Fund appropriation is \$50,000 in each fiscal year for the Bluegrass State Games."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly modifies a Part I, language provision as follows:

"Tourism Marketing and Development: Included in the above Restricted Funds appropriation is \$500,000 in fiscal year 2008-2009 and \$500,000 in fiscal year 2009-2010 for Tourism Marketing and Development on behalf of the coal-producing counties. Fees for

TOURISM

professional artists and entertainers performing on the Kentucky Music Trail may be paid from the Tourism Marketing Program."

B - Commerce Cabinet**Operating Budget****Parks**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	36,937,100	36,937,100		30,045,900	30,045,900		30,664,900	30,315,900	(349,000)
Restricted Funds	56,329,600	56,329,600		56,957,600	56,957,600		57,197,600	57,197,600	
Regular Total Funds	93,266,700	93,266,700		87,003,500	87,003,500		87,862,500	87,513,500	(349,000)
Use of Continuing									
TOTAL FUNDS	93,266,700	93,266,700		87,003,500	87,003,500		87,862,500	87,513,500	(349,000)
II. EXPENDITURE CATEGORY									
Personnel Costs	58,109,800	58,109,800		57,468,200	57,468,200		57,932,500	57,932,500	
Operating Expenses	32,171,800	32,171,800		29,344,200	29,344,200		29,119,900	29,119,900	
Grants, Loans, Benefits	191,100	191,100		191,100	191,100		191,100	191,100	
Debt Service	2,794,000	2,794,000					619,000	270,000	(349,000)
TOTAL EXPENDITURES	93,266,700	93,266,700		87,003,500	87,003,500		87,862,500	87,513,500	(349,000)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	31,937,100	31,937,100		30,045,900	30,045,900		30,045,900	30,045,900	
Restricted Funds	56,329,600	56,329,600		56,957,600	56,957,600		57,197,600	57,197,600	
Regular Total Funds	88,266,700	88,266,700		87,003,500	87,003,500		87,243,500	87,243,500	
Use of Continuing									
TOTAL BASE LEVEL	88,266,700	88,266,700		87,003,500	87,003,500		87,243,500	87,243,500	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund	5,000,000	5,000,000					619,000	270,000	(349,000)
TOTAL ADDITIONAL	5,000,000	5,000,000					619,000	270,000	(349,000)
V. ADDITIONAL BUDGET ITEMS									
1 GB State Resort Parks - Additional Operations Funding									
ABR670K0005 Provides funds to support interim salary increases, operating cost and capital outlay.									
General Fund	3,667,000	3,667,000							
Project Total	3,667,000	3,667,000							
2 GB Recreation Parks and Historic Sites - Additional Operations Funding									
ABR670K0006 Provides funds to support interim salary increases, operating cost and capital outlay.									
General Fund	1,333,000	1,333,000							
Project Total	1,333,000	1,333,000							

B - Commerce Cabinet**Operating Budget****Parks**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
3 EXPAN Parks - Debt Service									
ABR670K0014 Provides support for \$4 million in Bond Funds.									
General Fund							619,000	270,000	(349,000)
Project Total							619,000	270,000	(349,000)
TOTAL ADDITIONAL	5,000,000	5,000,000					619,000	270,000	(349,000)

PARKS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Park Capital Maintenance and Renovation Fund: Notwithstanding KRS 148.810, no transfer to the Park Capital Maintenance and Renovation Fund shall be made."

"Debt Service: Included in the above General Fund appropriation is \$619,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget includes language provisions as follows:

"Permitted Use of Funds: These Bond Funds may be used for any Department of Parks or Kentucky Horse Park Commission facility owned by the Commonwealth."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly modifies a Part I, Operating Budget, language provision as follows:

"Debt Service: Included in the above General Fund appropriation is \$270,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

PARKS

The General Assembly amends Part II, Capital Budget, by deleting the following language:

"Permitted Use of Funds: These Bond Funds may be used for any Department of Parks or Kentucky Horse Park Commission facility owned by the Commonwealth."

The General Assembly amends Part II, Capital Budget, by deleting \$2,000,000 in Investment Income in fiscal year 2009-2010 for the Maintenance Pool - 2008-2010.

B - Commerce Cabinet**Capital Budget****Parks**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				12,000,000	4,000,000	(8,000,000)			
Investment Income							4,000,000	2,000,000	(2,000,000)
TOTAL CAPITAL				12,000,000	4,000,000	(8,000,000)	4,000,000	2,000,000	(2,000,000)
II. CAPITAL PROJECTS									
1	Parks Renovation Pool								
PRJ670K5006									
Bond Funds				8,000,000		(8,000,000)			
Project Total				8,000,000		(8,000,000)			
2	Maintenance Pool - 2008-2010								
PRJ670K1775									
Bond Funds				4,000,000	4,000,000				
Investment Income							4,000,000	2,000,000	(2,000,000)
Project Total				4,000,000	4,000,000		4,000,000	2,000,000	(2,000,000)
TOTAL CAPITAL				12,000,000	4,000,000	(8,000,000)	4,000,000	2,000,000	(2,000,000)

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B - Commerce Cabinet**Operating Budget****Horse Park Commission**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	5,044,700	5,044,700		1,448,200	1,448,200		1,448,200	1,448,200	
Restricted Funds	6,886,200	6,886,200		7,200,100	7,200,100		7,322,900	7,322,900	
Regular Total Funds	11,930,900	11,930,900		8,648,300	8,648,300		8,771,100	8,771,100	
Use of Continuing									
TOTAL FUNDS	11,930,900	11,930,900		8,648,300	8,648,300		8,771,100	8,771,100	
II. EXPENDITURE CATEGORY									
Personnel Costs	5,046,100	5,046,100		5,182,400	5,182,400		5,292,700	5,292,700	
Operating Expenses	3,459,800	3,459,800		3,439,900	3,439,900		3,452,400	3,452,400	
Debt Service	3,399,000	3,399,000							
Capital Outlay	26,000	26,000		26,000	26,000		26,000	26,000	
TOTAL EXPENDITURES	11,930,900	11,930,900		8,648,300	8,648,300		8,771,100	8,771,100	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	5,044,700	5,044,700		1,448,200	1,448,200		1,448,200	1,448,200	
Restricted Funds	6,771,500	6,771,500		7,200,100	7,200,100		7,322,900	7,322,900	
Regular Total Funds	11,816,200	11,816,200		8,648,300	8,648,300		8,771,100	8,771,100	
Use of Continuing									
TOTAL BASE LEVEL	11,816,200	11,816,200		8,648,300	8,648,300		8,771,100	8,771,100	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds	114,700	114,700							
TOTAL ADDITIONAL	114,700	114,700							
V. ADDITIONAL BUDGET ITEMS									
1 CONT Current Year Funding									
ABR665N0008 Provides funds to support current year operations.									
Restricted Funds	114,700	114,700							
Project Total	114,700	114,700							
TOTAL ADDITIONAL	114,700	114,700							

HORSE PARK COMMISSION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly amends Part II, Capital Budget, by deleting \$2,000,000 in Investment Income in fiscal year 2008-2009 for the World Equestrian Games Maintenance Pool - 2008-2010.

B - Commerce Cabinet**Capital Budget****Horse Park Commission**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Investment Income				2,575,000	575,000	(2,000,000)	575,000	575,000	
TOTAL CAPITAL				2,575,000	575,000	(2,000,000)	575,000	575,000	
II. CAPITAL PROJECTS									
1	World Equestrian Games Maintenance Pool - 2008-2010								
PRJ665N5000									
Investment Income				2,000,000		(2,000,000)			
Project Total				2,000,000		(2,000,000)			
2	Maintenance Pool - 2008-2010								
PRJ665N1745									
Investment Income				575,000	575,000		575,000	575,000	
Project Total				575,000	575,000		575,000	575,000	
TOTAL CAPITAL				2,575,000	575,000	(2,000,000)	575,000	575,000	

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B - Commerce Cabinet**Operating Budget****State Fair Board**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	307,800	307,800					181,000	181,000	
Restricted Funds	39,039,900	39,039,900		38,804,400	38,804,400		39,345,000	39,345,000	
Regular Total Funds	39,347,700	39,347,700		38,804,400	38,804,400		39,526,000	39,526,000	
Use of Continuing									
TOTAL FUNDS	39,347,700	39,347,700		38,804,400	38,804,400		39,526,000	39,526,000	
II. EXPENDITURE CATEGORY									
Personnel Costs	21,353,500	21,353,500		20,951,300	20,951,300		21,429,600	21,429,600	
Operating Expenses	11,135,400	11,135,400		10,994,300	10,994,300		11,056,600	11,056,600	
Grants, Loans, Benefits	1,638,100	1,638,100		1,638,100	1,638,100		1,638,100	1,638,100	
Debt Service	4,424,400	4,424,400		4,424,400	4,424,400		4,605,400	4,605,400	
Capital Outlay	796,300	796,300		796,300	796,300		796,300	796,300	
TOTAL EXPENDITURES	39,347,700	39,347,700		38,804,400	38,804,400		39,526,000	39,526,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	307,800	307,800							
Restricted Funds	39,039,900	39,039,900		38,804,400	38,804,400		39,345,000	39,345,000	
Regular Total Funds	39,347,700	39,347,700		38,804,400	38,804,400		39,345,000	39,345,000	
Use of Continuing									
TOTAL BASE LEVEL	39,347,700	39,347,700		38,804,400	38,804,400		39,345,000	39,345,000	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund							181,000	181,000	
TOTAL ADDITIONAL							181,000	181,000	
V. ADDITIONAL BUDGET ITEMS									
1 NEW KFEC HVAC Systems Phase I & II - Debt Service									
ABR235W0005 Provides debt service for \$2 million in Bond Funds.									
General Fund							181,000	181,000	
Project Total							181,000	181,000	
TOTAL ADDITIONAL							181,000	181,000	

STATE FAIR BOARD

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Debt Service: Included in the above Restricted Funds appropriation is \$4,424,400 in fiscal year 2008-2009 and \$4,424,400 in fiscal year 2009-2010 for previously issued bonds."

"Debt Service: Included in the above General Fund appropriation is \$181,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

B - Commerce Cabinet**Capital Budget****State Fair Board**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				1,000,000	1,000,000		1,000,000	1,000,000	
Bond Funds				2,000,000	2,000,000				
TOTAL CAPITAL				3,000,000	3,000,000		1,000,000	1,000,000	
II. CAPITAL PROJECTS									
1	Upgrade HVAC Systems								
PRJ235W5000									
Bond Funds				2,000,000	2,000,000				
Project Total				2,000,000	2,000,000				
2	Maintenance Pool - 2008-2010								
PRJ235W1733									
Restricted Funds				1,000,000	1,000,000		1,000,000	1,000,000	
Project Total				1,000,000	1,000,000		1,000,000	1,000,000	
TOTAL CAPITAL				3,000,000	3,000,000		1,000,000	1,000,000	

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B - Commerce Cabinet**Operating Budget****Fish and Wildlife Resources**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund							442,000		(442,000)
Restricted Funds	27,604,300	27,604,300		26,350,900	31,401,800	5,050,900	27,147,200	31,975,200	4,828,000
Federal Funds	10,271,500	10,271,500		11,834,100	13,486,000	1,651,900	11,982,000	13,562,800	1,580,800
Regular Total Funds	37,875,800	37,875,800		38,185,000	44,887,800	6,702,800	39,571,200	45,538,000	5,966,800
Use of Continuing									
TOTAL FUNDS	37,875,800	37,875,800		38,185,000	44,887,800	6,702,800	39,571,200	45,538,000	5,966,800
II. EXPENDITURE CATEGORY									
Personnel Costs	30,278,600	30,278,600		30,598,200	34,273,800	3,675,600	31,535,100	34,913,600	3,378,500
Operating Expenses	6,831,800	6,831,800		6,821,400	8,677,100	1,855,700	6,828,700	8,779,300	1,950,600
Grants, Loans, Benefits	765,400	765,400		765,400	850,000	84,600	765,400	850,000	84,600
Debt Service							442,000		(442,000)
Capital Outlay					1,086,900	1,086,900		995,100	995,100
TOTAL EXPENDITURES	37,875,800	37,875,800		38,185,000	44,887,800	6,702,800	39,571,200	45,538,000	5,966,800
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	27,604,300	27,604,300		26,350,900	26,350,900		27,147,200	27,147,200	
Federal Funds	10,271,500	10,271,500		11,834,100	11,834,100		11,982,000	11,982,000	
Regular Total Funds	37,875,800	37,875,800		38,185,000	38,185,000		39,129,200	39,129,200	
Use of Continuing									
TOTAL BASE LEVEL	37,875,800	37,875,800		38,185,000	38,185,000		39,129,200	39,129,200	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund							442,000		(442,000)
Restricted Funds					5,050,900	5,050,900		4,828,000	4,828,000
Federal Funds					1,651,900	1,651,900		1,580,800	1,580,800
TOTAL ADDITIONAL					6,702,800	6,702,800	442,000	6,408,800	5,966,800
V. ADDITIONAL BUDGET ITEMS									
1	GB	Law Enforcement - Additional Officer Positions							
ABR660G0005 Provides funds to support 15 additional positions and restore base reductions.									
Restricted Funds					1,353,400	1,353,400	1,240,400		1,240,400
Federal Funds					157,300	157,300	144,500		144,500
Project Total					1,510,700	1,510,700	1,384,900		1,384,900

B - Commerce Cabinet**Operating Budget****Fish and Wildlife Resources**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2 GB Wildlife - Additional Positions								
ABR660G0002 Provides funds to support 18 additional positions and restore base reductions.								
Restricted Funds				2,240,300	2,240,300		2,240,300	2,240,300
Federal Funds				591,700	591,700		541,200	541,200
Project Total				2,832,000	2,832,000		2,781,500	2,781,500
3 GB Administration and Support - Additional Positions								
ABR660G0001 Provides funds to support 6 additional positions and restore base reductions.								
Restricted Funds				496,400	496,400		461,800	461,800
Project Total				496,400	496,400		461,800	461,800
4 GB Information and Education - Additional Positions								
ABR660G0004 Provides funds to support 4 additional positions and restore base reductions.								
Restricted Funds				574,500	574,500		537,700	537,700
Federal Funds				129,900	129,900		127,600	127,600
Project Total				704,400	704,400		665,300	665,300
5 GB Fisheries - Additional Positions								
ABR660G0003 Provides funds to support 2 additional positions and restore base reductions.								
Restricted Funds				386,300	386,300		347,800	347,800
Federal Funds				773,000	773,000		767,500	767,500
Project Total				1,159,300	1,159,300		1,115,300	1,115,300
6 NEW Debt Service								
ABR660G0006 Provides debt service to support \$10 million in Bond Funds.								
General Fund						442,000		(442,000)
Project Total						442,000		(442,000)
TOTAL ADDITIONAL				6,702,800	6,702,800	442,000	6,408,800	5,966,800

TRANSFERS TO THE GENERAL FUND**Fish and Wildlife Resources**

Kentucky Wetland and Stream Mitigation Fund	10,000,000	(10,000,000)
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(KRS 150.255(3))

A \$10,000,000 capital appropriation from bond funds in Part II, Capital Projects Budget, of this Act will be used to replace this transfer of funds to the General Fund.

B - Commerce Cabinet**Operating Budget****Fish and Wildlife Resources**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL				10,000,000		(10,000,000)			

FISH AND WILDLIFE RESOURCES

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Operations and Support Services, Restricted Funds of \$10,000,000 in fiscal year 2008-2009.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that direct:

"Debt Service: Included in the above General Fund appropriation is \$442,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly provides Restricted Funds support totaling \$5,050,900 in fiscal year 2008-2009 and \$4,828,000 in fiscal year 2009-2010 for new personnel, operating, grants, loans, benefits, and capital outlay expenditures. In addition, the General Assembly provides Federal Funds support totaling \$1,651,900 in fiscal year 2008-2009 and \$1,580,800 in fiscal year 2009-2010 for new personnel, operating, grants, loans, benefits, and capital outlay expenditures.

The General Assembly amends Part II, Capital Budget, by adding \$1,000,000 in Restricted Funds in each fiscal year for the Land Acquisition Pool.

The General Assembly deletes a Part I, Operating Budget, language provision as follows:

FISH AND WILDLIFE RESOURCES

"Debt Service: Included in the above General Fund appropriation is \$442,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

The General Assembly amends Part II, Capital Budget, by deleting \$10,000,000 in Bond Funds in fiscal year 2008-2009 for the Wetland and Stream Mitigation Fund.

The General Assembly amends Part V, Funds Transfer, to remove \$10,000,000 in fiscal year 2008-2009.

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B - Commerce Cabinet**Capital Budget****Fish and Wildlife Resources**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				5,600,000	6,600,000	1,000,000	5,600,000	6,600,000	1,000,000
Federal Funds				500,000	500,000		500,000	500,000	
Bond Funds				10,000,000		(10,000,000)			
TOTAL CAPITAL				16,100,000	7,100,000	(9,000,000)	6,100,000	7,100,000	1,000,000
II. CAPITAL PROJECTS									
1 Fees-in-Lieu-of Stream Mitigation Projects Pool									
PRJ660G1740									
Restricted Funds				5,000,000	5,000,000		5,000,000	5,000,000	
Project Total				5,000,000	5,000,000		5,000,000	5,000,000	
2 Wetland and Stream Mitigation Fund									
PRJ660G5000									
Bond Funds				10,000,000		(10,000,000)			
Project Total				10,000,000		(10,000,000)			
3 Maintenance Pool - 2008-2010									
PRJ660G1739									
Restricted Funds				600,000	600,000		600,000	600,000	
Project Total				600,000	600,000		600,000	600,000	
4 Boating and Fishing Access Pool									
PRJ660G1741									
Federal Funds				500,000	500,000		500,000	500,000	
Project Total				500,000	500,000		500,000	500,000	
5 Land Acquisition Pool									
PRJ660G1738									
Restricted Funds					1,000,000	1,000,000		1,000,000	1,000,000
Project Total					1,000,000	1,000,000		1,000,000	1,000,000
TOTAL CAPITAL				16,100,000	7,100,000	(9,000,000)	6,100,000	7,100,000	1,000,000

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B - Commerce Cabinet**Operating Budget****Historical Society**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	7,915,700	7,915,700		7,154,200	7,154,200		7,154,200	7,154,200	
Restricted Funds	795,000	795,000		757,000	757,000		907,500	907,500	
Federal Funds	516,800	516,800							
Regular Total Funds	9,227,500	9,227,500		7,911,200	7,911,200		8,061,700	8,061,700	
Use of Continuing									
TOTAL FUNDS	9,227,500	9,227,500		7,911,200	7,911,200		8,061,700	8,061,700	
II. EXPENDITURE CATEGORY									
Personnel Costs	4,261,200	4,261,200		4,341,800	4,341,800		4,484,800	4,484,800	
Operating Expenses	2,865,500	2,865,500		3,260,900	3,260,900		3,403,400	3,403,400	
Grants, Loans, Benefits	2,068,800	2,068,800		308,500	308,500		173,500	173,500	
Debt Service	32,000	32,000							
TOTAL EXPENDITURES	9,227,500	9,227,500		7,911,200	7,911,200		8,061,700	8,061,700	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	7,915,700	7,915,700		7,154,200	7,154,200		7,154,200	7,154,200	
Restricted Funds	795,000	795,000		757,000	757,000		907,500	907,500	
Federal Funds	516,800	516,800							
Regular Total Funds	9,227,500	9,227,500		7,911,200	7,911,200		8,061,700	8,061,700	
Use of Continuing									
TOTAL BASE LEVEL	9,227,500	9,227,500		7,911,200	7,911,200		8,061,700	8,061,700	

HISTORICAL SOCIETY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

B - Commerce Cabinet**Capital Budget****Historical Society**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

II. CAPITAL PROJECTS

1 **Kentucky History Center - Purchase Casework Reauthorization (\$250,000 Capital Construction Surplus)**

PRJ550P5000

Investment Income

Project Total

TOTAL CAPITAL

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B - Commerce Cabinet**Operating Budget****Arts Council**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	4,128,600	4,128,600		3,719,500	3,719,500		3,831,400	3,831,400	
Restricted Funds	952,700	952,700		332,700	332,700		215,800	215,800	
Federal Funds	740,000	740,000		739,300	739,300		705,000	705,000	
Regular Total Funds	5,821,300	5,821,300		4,791,500	4,791,500		4,752,200	4,752,200	
Use of Continuing									
TOTAL FUNDS	5,821,300	5,821,300		4,791,500	4,791,500		4,752,200	4,752,200	
II. EXPENDITURE CATEGORY									
Personnel Costs	1,241,900	1,241,900		1,250,800	1,250,800		1,286,100	1,286,100	
Operating Expenses	877,700	877,700		738,600	738,600		733,000	733,000	
Grants, Loans, Benefits	3,701,700	3,701,700		2,802,100	2,802,100		2,733,100	2,733,100	
TOTAL EXPENDITURES	5,821,300	5,821,300		4,791,500	4,791,500		4,752,200	4,752,200	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	4,128,600	4,128,600		3,719,500	3,719,500		3,831,400	3,831,400	
Restricted Funds	952,700	952,700		332,700	332,700		215,800	215,800	
Federal Funds	740,000	740,000		739,300	739,300		705,000	705,000	
Regular Total Funds	5,821,300	5,821,300		4,791,500	4,791,500		4,752,200	4,752,200	
Use of Continuing									
TOTAL BASE LEVEL	5,821,300	5,821,300		4,791,500	4,791,500		4,752,200	4,752,200	

ARTS COUNCIL

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Open Meetings: Any entity involved in producing or financing arts on a local or statewide basis, since the inception of fiscal year 2004-2005, which received a total of \$25,000 or less as a result of appropriations or grants from state or local governmental units, shall be exempt from the requirements of KRS 61.800 to 61.850."

"Open Records: Any entity involved in producing or financing arts on a local or statewide basis, since the inception of fiscal year 2004-2005, which received a total of \$25,000 or less as a result of appropriations or grants from state or local governmental units shall be exempt from the requirements of KRS 61.870 to 61.884."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

B - Commerce Cabinet**Operating Budget****Heritage Council**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	908,100	908,100		908,100	908,100		952,100	952,100	
Restricted Funds	1,374,600	1,374,600		320,300	320,300		255,300	255,300	
Federal Funds	770,100	770,100		752,300	752,300		752,300	752,300	
Road Fund				140,000		(140,000)	145,000		(145,000)
Regular Total Funds	3,052,800	3,052,800		2,120,700	1,980,700	(140,000)	2,104,700	1,959,700	(145,000)
Use of Continuing									
TOTAL FUNDS	3,052,800	3,052,800		2,120,700	1,980,700	(140,000)	2,104,700	1,959,700	(145,000)
II. EXPENDITURE CATEGORY									
Personnel Costs	1,294,900	1,294,900		1,379,800	1,379,800		1,423,800	1,423,800	
Operating Expenses	726,000	726,000		676,200	536,200	(140,000)	616,200	471,200	(145,000)
Grants, Loans, Benefits	1,031,900	1,031,900		64,700	64,700		64,700	64,700	
TOTAL EXPENDITURES	3,052,800	3,052,800		2,120,700	1,980,700	(140,000)	2,104,700	1,959,700	(145,000)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	908,100	908,100		908,100	908,100		952,100	952,100	
Restricted Funds	1,334,600	1,334,600		320,300	320,300		255,300	255,300	
Federal Funds	770,100	770,100		752,300	752,300		752,300	752,300	
Regular Total Funds	3,012,800	3,012,800		1,980,700	1,980,700		1,959,700	1,959,700	
Use of Continuing									
TOTAL BASE LEVEL	3,012,800	3,012,800		1,980,700	1,980,700		1,959,700	1,959,700	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds	40,000	40,000							
Road Fund				140,000		(140,000)	145,000		(145,000)
TOTAL ADDITIONAL	40,000	40,000		140,000		(140,000)	145,000		(145,000)
V. ADDITIONAL BUDGET ITEMS									
1	GB	Operating Support Request							
ABR410R0005 Provides Restricted Funds support in FY08.									
Restricted Funds	40,000	40,000							
Project Total	40,000	40,000							
2	CONT	Operating Support							
ABR410R0006 Provides a Road Fund appropriation to support reviews of transportation projects.									
Road Fund				140,000		(140,000)	145,000		(145,000)
Project Total				140,000		(140,000)	145,000		(145,000)

B - Commerce Cabinet**Operating Budget****Heritage Council**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL ADDITIONAL	40,000	40,000		140,000		(140,000)	145,000		(145,000)

HERITAGE COUNCIL

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly removes in Part I, Operating Budget, Road Fund support totaling \$140,000 in fiscal year 2008-2009 and \$145,000 in fiscal year 2009-2010.

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B - Commerce Cabinet**Operating Budget****Kentucky Center for the Arts**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	1,264,400	1,264,400		1,112,700	1,112,700		1,112,700	1,509,700	397,000
Regular Total Funds	1,264,400	1,264,400		1,112,700	1,112,700		1,112,700	1,509,700	397,000
Use of Continuing									
TOTAL FUNDS	1,264,400	1,264,400		1,112,700	1,112,700		1,112,700	1,509,700	397,000
II. EXPENDITURE CATEGORY									
Personnel Costs	138,400	138,400		36,700	36,700		47,000	47,000	
Operating Expenses	489,600	489,600		515,900	515,900		505,600	505,600	
Grants, Loans, Benefits	636,400	636,400		560,100	560,100		560,100	560,100	
Debt Service								397,000	397,000
TOTAL EXPENDITURES	1,264,400	1,264,400		1,112,700	1,112,700		1,112,700	1,509,700	397,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	1,264,400	1,264,400		1,112,700	1,112,700		1,112,700	1,112,700	
Regular Total Funds	1,264,400	1,264,400		1,112,700	1,112,700		1,112,700	1,112,700	
Use of Continuing									
TOTAL BASE LEVEL	1,264,400	1,264,400		1,112,700	1,112,700		1,112,700	1,112,700	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund								397,000	397,000
TOTAL ADDITIONAL								397,000	397,000
V. ADDITIONAL BUDGET ITEMS									
1	N/A	Debt Service							
ABR552H0006 Provides funds to support debt service on \$8.95 million in Bond Funds for projects in the KY Center Capital Budget.									
General Fund								397,000	397,000
Project Total								397,000	397,000
TOTAL ADDITIONAL								397,000	397,000

KENTUCKY CENTER FOR THE ARTS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly adds a Part I, Operating Budget, language provision as follows:

"Debt Service: Included in the above General Fund appropriation is \$397,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

The General Assembly amends Part II, Capital Budget, by adding the following language:

"Capitalized Interest: The Kentucky Center for the Arts is authorized to capitalize interest prior to the issuance of the above Bond Funds for a period not to exceed 18 months."

B - Commerce Cabinet**Capital Budget****Kentucky Center for the Arts**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds					8,954,000	8,954,000			
Investment Income				160,000	160,000		160,000	160,000	
TOTAL CAPITAL				160,000	9,114,000	8,954,000	160,000	160,000	
II. CAPITAL PROJECTS									
1	Maintenance Pool - 2008-2010								
PRJ552H1669									
Investment Income				160,000	160,000		160,000	160,000	
Project Total				160,000	160,000		160,000	160,000	
2	Major Maintenance Renovation Pool								
PRJ552H1672									
Bond Funds					8,954,000	8,954,000			
Project Total					8,954,000	8,954,000			
TOTAL CAPITAL				160,000	9,114,000	8,954,000	160,000	160,000	

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